

Small businesses can apply for quick and easy-to-access loans from 4 May 2020.

Businesses will be able to borrow between £2,000 and up to 25% of a business' turnover. The maximum loan amount is £50,000. The cash is expected to arrive within days.

The scheme gives the lender a full (100%) government-backed guarantee against the outstanding balance of the facility (both capital and interest). Businesses can apply online through a short and simple online form, with only seven questions.

The government will cover the cost of any fees and interest for the borrower for the first 12 months. No repayments will be due during this 12 month period.

The rate of interest will be 2.5% per annum.

The length of the loan is six years but early repayment is allowed, without early repayment fees.

The loans are available through a network of lenders.

Lenders are not permitted to take personal guarantees or recovery action over a borrower's personal assets (such as their main home or personal vehicle). There is no fee to access the scheme for either businesses or lenders.

Eligibility

You can apply for a loan if your business:

- is based in the UK
- was established before 1 March 2020

- has been adversely impacted by the coronavirus.
- And any business that has already taken out a
 - Coronavirus Business Interruption Loan Scheme (CBILS)
 - Coronavirus Large Business Interruption Loan Scheme (CLBILS)
 - COVID-19 Corporate Financing Facility

of £50,000 or less can apply to have these switched over to this generous new scheme until 4 November 2020.

Who cannot apply

- banks, insurers, and reinsurers (but not insurance brokers)
- public-sector bodies
- state-funded primary and secondary schools

Further Information

- Eligible companies will be subject to standard customer fraud, anti-money laundering (AML) and Know Your Customer (KYC) checks prior to any loan being made.
- If your business was classed as a business in difficulty on 31 December 2019 you'll need to confirm that you're complying with additional state aid restrictions.
- More details [here](#)