

The Coronavirus Business Interruption Loan Scheme (CBILS) is now available through participating lenders

More information about CBILS is now available on the British Business Bank website which is reproduced below. If you think that you will want to apply for finance using this scheme, then please to call us to discuss how we can help you make the necessary application.

CBILS: KEY FEATURES

- **Up to £5m facility:** The maximum value of a facility provided under the scheme will be £5m, available on repayment terms of up to six years.
- **80% guarantee:** The scheme provides the lender with a government-backed, partial guarantee (80%) against the outstanding facility balance, subject to an overall cap per lender.
- **No guarantee fee for SMEs to access the scheme:** No fee for smaller businesses. Lenders will pay a fee to access the scheme.
- **Interest and fees paid by Government for 12 months:** The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.
- **Finance terms:** Finance terms are up to six years for term loans and asset finance facilities. For overdrafts and invoice finance facilities, terms will be up to three years.
- **Security:** At the discretion of the lender, the scheme may be used for unsecured lending for facilities of £250,000 and under. For facilities above £250,000, the lender must establish a lack or absence of security prior to businesses using CBILS. If the lender can offer finance on normal commercial terms without the need to make use of the scheme, they will do so.
- **The borrower always remains 100% liable for the debt.**

HOW CAN I ACCESS THE SCHEME?

CBILS is available through the British Business Bank's 40+ accredited lenders, which are listed on the British Business Bank website [here](#). **Note: Not every accredited lender can provide every type of finance listed.**

In the first instance, businesses should approach their own provider – ideally via the lender's website. They may also consider approaching other lenders if they are unable to access the finance they need.

Decision-making on whether you are eligible for CBILS is fully delegated to the 40+ accredited CBILS lenders. These lenders range from high-street banks, to challenger banks, asset-based lenders and smaller specialist local lenders.

Note: if the accredited lender can offer finance on normal commercial terms without the need to make use of the scheme, they will do so.

Additional application notes:

Given there is likely to be a big demand for facilities once the scheme goes live, we ask you to please:

- Consider applying via the lender's website in the first instance. Telephone lines are likely to be busy and branches may have limited capacity to handle enquires due to social distancing

BCA Briefing Note

- Consider the urgency of your need – it is possible that some businesses may be looking for regular longer-term finance rather than ‘emergency’ finance, and there may other businesses with a more urgent need to speak with a lender

WHAT TYPES OF FINANCE ARE AVAILABLE AND WHO OFFERS WHICH TYPE?

CBILS supports a wide range of business finance facilities, including:

- Term loans
- Overdrafts
- Asset finance
- Invoice finance

Note: Not every lender can provide every type of finance listed.

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AM I ELIGIBLE FOR FINANCE UNDER CBILS?

The scheme is designed to support smaller businesses (SMEs) who don’t meet a lender’s normal lending requirements for a fully commercial loan or other facility, but who are considered viable in the longer-term.

To be eligible for a facility under CBILS, your business must:

- Be UK based in its business activity with annual turnover or no more than £45m
- Have a borrowing proposal which, were it not for the COVID-19 pandemic, would be considered viable by the lender, and for which the lender believes the provision of finance will enable your business to trade out of any short-to-medium term difficulty
- Smaller businesses from any sector can apply for the full amount of the facility.

Please review our quick eligibility checklist [here](#)

IMPORTANT INFORMATION FOR SMES

Please note: The CBILS guarantee is to the lender and not the business. As with any other commercial transaction, the borrower is always 100% liable for repayment of the facility supported by CBILS

CBILS decision making is fully delegated to the accredited lenders. Any queries from a business with an active or historic EFG facility, including guarantee fee collection or alterations to their repayment profile should raise them with their lender, and not with the British Business Bank.

Exclusions: Banks, Building Societies, Insurers and Reinsurers (but not insurance brokers); The public sector including state funded primary and secondary schools; Employer, professional, religious or political membership organisation or trade unions.

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