



Business Interruption Loan

Responding to COVID-19

Coronavirus Business Interruption Loan

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1. Coronavirus Business Interruption Loan Scheme: The temporary Coronavirus Business Interruption Loan Scheme supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years

- a. Eligibility:** your business is UK based, with turnover of no more than £45 million per year and your business meets the other British Business Bank eligibility criteria (more details set out below)
- b. How to access:** the scheme is now open for applications, all major banks are offering the scheme. Please talk to your bank or one of the 40 accredited finance providers.

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

Useful Links

[UK Government Website - COVID-19: Support for businesses](#)

[British Business Bank eligibility criteria](#)

[British Business Bank CBILS FAQs](#)

[Eligibility checklist](#)

More information

1. Coronavirus Business Interruption Loan

The temporary Coronavirus Business Interruption Loan Scheme supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.

The Government will also 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.

The Government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the Government-owned British Business Bank.

There are 40 accredited lenders able to offer the scheme, including all the major banks.

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

- Term loans
- Overdrafts
- Asset finance
- Invoice finance

a. Eligibility:

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 - 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

Please refer to the [eligibility checklist](#) for SME's if you are unsure.

b. How to access

CBILS is available through the British Business Bank's 40+ accredited lenders, which are listed on the [British Business Bank website](#). 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 we would recommend to:

- 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
- 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

Useful Links

[COVID-19: Support for businesses](#)

[British Business Bank eligibility criteria](#)

[British Business Bank CBILS FAQs](#)

[Eligibility checklist](#)

[Accredited lenders](#)

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