

Covid-19 Update – “Bounce Back” Loans

Information correct as at 2:00pm on 30.04.2020

- Bounce Back loans announced
- Loans from £2,000 to £50,000 available
- 100% government backed guarantee for lenders

Bounce Back Loans:

The government has announced the new Bounce Back Loan scheme this week. This is a new fast-track finance scheme to support small businesses encountering cashflow issues as a result of Covid-19. This should include dairy farms experiencing milk price or volume reductions, delayed milk payments or loss of milk income. The opening date for applications will be **4th May 2020**.

- Loans up to 25% of your annual revenue are available with a cap of £50,000 and minimum borrowing of £2,000 with repayment periods up to 6 years.
- Loans will have a 100% government backed guarantee for lenders.
- No repayments will be due in the first 12 months of receiving the loan.
- The government will pay any bank charges and interest for the first 12 months.
- The time taken to apply and receive a bounce back loan is predicted to be days.
- Businesses should receive their loan within 24 hours of their application being approved.
- Businesses that have already taken out a CBILS loan up to £50,000 will be able to transfer this to the bounce back scheme if they do this before the 4th November 2020.

Differences to the CBIL Scheme:

- The higher government guarantee will allow the application process to be less stringent than for CBILS loans and will involve a short, standardised online form.
- No capital or interest repayments will be due in the first 12 months of the loan.
- Bounce Back loans should be processed more quickly and monies received faster.
- The Bounce Back loan amount is capped at £50,000 compared to the £5 million cap for CBILS.

More details on the scheme to follow once it goes live.

For further discussion or to help with any questions that you may have, please contact Consultant Support on consultantsupport@kiteconsulting.com or 01902 851007 / 07542 403225