

HOW DOES A SMALL BUSINESS APPLY FOR A CBILS-SUPPORTED FACILITY?

The scheme can provide facilities of up to £5m for UK smaller businesses (SMEs) who are experiencing increased costs or disruptions to their cashflow.

The scheme provides the lender with a government-backed guarantee, potentially enabling a 'no' credit decision from a lender to become a 'yes'. SMEs from all sectors can apply for the full amount of the facility¹.

CBILS is available through the British Business Bank's 40+ accredited lenders and partners, which are listed on the British Business Bank website.

In the first instance, businesses should approach their own provider – ideally via the lender's website.

Please note:

- As with any other commercial transaction, the borrower is always responsible for repayment of the fully value of any facility supported by CBILS
- The guarantee is to the lender and not the small business
- If the accredited lender can offer finance on normal commercial terms without the need to make use of the scheme, they will do so
- 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 enquiries due to social distancing

1. A UK-based smaller business that is experiencing lost or deferred revenues, leading to disruptions to their cashflow, needs funding.
2. The business must 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 the business to trade out of any short-to-medium term difficulty.
3. The government, operating through the British Business Bank, guarantees 80% of the facility balance to the lender, **which may enable a 'no' credit decision to become a 'yes'**.
4. The lender, using the Coronavirus Business Interruption Loan Scheme, can now offer the finance facility requested, providing all other lending criteria can be met². The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees³, so smaller businesses will benefit from no upfront costs and lower initial repayments.
5. The business now has the finance it needs to sustain its operations during this period of uncertainty. The business remains liable for paying 100% of the outstanding facility.

¹The following trades and organisations are not eligible to apply: 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.

²The business must be UK based, with an annual turnover of no more than £45m, and be able to repay the finance facility.

³Fishery, aquaculture and agriculture businesses may not qualify for the full interest and fee payment.

