

From the Coronavirus Support Hub:

Everything you need to know: Coronavirus Business Interruption Loan Scheme

The government announced its Coronavirus Business Interruption Loan Scheme (CBILS) on March 23rd in response to growing pressure on UK small to medium-sized businesses in the wake of forced closures and social distancing measures introduced as a result of the ongoing coronavirus pandemic.

Details of the scheme were updated on April 2nd, with the aim of ensuring more businesses have access to the necessary funds that will enable them to continue operating despite the unprecedented impact of coronavirus on all our lives.

CBILS is initially scheduled to run for six months and businesses can apply for funding throughout this period. However, the government has stated that this service will remain in place as long as there is a need to support the nation's businesses throughout this crisis.

Who is eligible?

Companies with a **turnover of up to £45 million** are eligible to apply for CBILS support.

If your business is part of a larger group, the maximum turnover **applies to the group undertaking** and must not exceed the £45 million cap.

Your business must be **based in the UK** and have a borrowing proposal that the **lender would consider viable** if not for the coronavirus pandemic.

You must also be able to **self-certify** that your business has been **adversely impacted** by the coronavirus pandemic.

Businesses in the following sectors are not considered eligible to apply:

- Banks, insurers and reinsurers (but not insurance brokers)
- Public-sector bodies
- Further-education establishments, if they are grant-funded
- State-funded primary and secondary schools

What support can you receive?

Eligible businesses can receive loans, overdrafts, invoice finance and asset finance of **up to £5 million** through CBILS.

Maximum repayment terms:

- Term loans, asset finance (six years)
- Overdrafts, invoice finance facilities (three years)

There are **no upfront fees** for borrowers, as the government has agreed to provide Business Interruption Payments to cover all interest payments for the first 12 months of borrowing and any lender-leveled fees.

Lenders will **not require personal guarantees** on lending facilities **below £250,000**.

Personal guarantees for facilities above this threshold may still be required, at a lender's discretion. However, this excludes:

- Any individual's Personal Primary Residence
- Recoveries are capped at a maximum of 20% of the outstanding balance of the CBILS facility after the proceeds of business assets have been applied

CBILS is administered by the government-owned **British Business Bank** and is available through **40 accredited lenders** across the UK.

How do you make a claim?

Businesses interested in receiving CBILS funding should first contact their **existing lenders** to arrange borrowing facilities. If these lenders are not accredited under CBILS or are unable to help, a full list of **accredited lenders** can be found on the [British Business Bank's website](#).

It's important to note that the **lender has the final authority** to decide whether to offer you finance. However, if a lender turns you down, you can still approach other lenders within the scheme.

You will need to provide the **full details of requested borrowing**, this should include:

- The total loan amount
- What the money is for - this is to ensure it is for a suitable business purpose and the correct type of finance option is being requested to meet the business' needs

- The period over which you plan to make repayments - this ensures the lender can assess that the repayment terms are affordable and sustainable

Supporting evidence that you will also need to provide in order to receive funding include:

- Management accounts
- Cash flow forecast
- Business plan
- Historic accounts
- Details of business assets

Please note that these requirements **may vary from lender to lender**. For businesses approaching their existing lender for CBILS support, this process may be automated and therefore may not require the same level of documentation.

What other support is available?

In addition to CBILS, the government is operating a range of other initiatives aimed at providing financial support to the nation's businesses. This includes the **Coronavirus Job Retention Scheme** and the **Covid Corporate Financing Facility** for large businesses.

Further details on these schemes and more can be found by visiting [Gov.uk](https://www.gov.uk).

Useful resources:

- [Gov.uk: Apply for the Coronavirus Business Interruption Loan Scheme](https://www.gov.uk/apply-for-the-coronavirus-business-interruption-loan-scheme)
- [British Business Bank: Coronavirus Business Interruption Loan Scheme \(CBILS\) - For SMEs and Advisors](https://www.britishbusinessbank.co.uk/cbils-for-smes-and-advisors)
- [British Business Bank: FAQs for SMEs: Coronavirus Business Interruption Loan Scheme \(CBILS\)](https://www.britishbusinessbank.co.uk/cbils-faq)
- [British Business Bank: Coronavirus Business Interruption Loan Scheme \(CBILS\) - Current Accredited Lenders and Partners](https://www.britishbusinessbank.co.uk/cbils-current-accredited-lenders-and-partners)
- [Gov.uk: Coronavirus Job Retention Scheme](https://www.gov.uk/coronavirus-job-retention-scheme)
- [Bank of England: Covid Corporate Financing Facility \(CCFF\): information for those seeking to participate in the scheme](https://www.bankofengland.co.uk/coronavirus/coronavirus-corporate-financing-facility)