



COVID-19: Business Finance Support

In partnership with participating approved banks, Government has launched the Business Finance Guarantee Scheme which will support targeted new loans to eligible businesses.

Small and medium-sized businesses affected by the economic impacts of Covid-19 may be able to access a financial support package launched to protect jobs and support the economy.

Under the Business Finance Guarantee Scheme, businesses with an annual revenue of between \$250,000 and \$80 million can apply to their banks for loans up to \$500,000, for up to three years. The scheme will offer a total of \$6.25 billion in loans to New Zealand businesses.

The Government is guaranteeing 80% of the risk, while the banks are covering the remaining 20%. Normal lending processes will still apply and banks will make all lending decisions.

More information on the announcement can be found at [Beehive.govt.nz](https://www.beehive.govt.nz).

Business Finance Guarantee Scheme

To be eligible to apply for loans under the scheme, your business must be New Zealand-based and have an annual turnover between \$250,000 and \$80,000,000. Loans will be available under the scheme until 30 September 2020.

Applications to the scheme are already open; details of which can be found on participating banks' websites. To apply, simply contact your bank to find out whether your financing can be supported under the scheme. Banks participating in the scheme include ANZ, ASB, BNZ, Heartland Bank, HSBC, Kiwibank, SBS Bank, TSB and Westpac.

Your bank will follow its normal credit assessment process to see if you qualify for a loan under the scheme, although this process will be modified to enable the bank to give effect to the scheme and to allow the bank to look through the economic cycle to sensibly take account of the uncertainty of the current economic conditions caused by COVID-19.

The facility limit for an individual loan will be a maximum of \$500,000. However, the maximum amount your bank is prepared to lend to you will be determined by your bank. Loans are intended to provide for businesses' current and upcoming operating cash flow needs – things like rent and staff expenses. Interest rates will be determined by banks' normal lending criteria.

Get Expert Advice

If you have questions around financial hardship, accessing the Business Finance Guarantee Scheme or a mortgage holiday, get in touch with our team of mortgage advisers to discuss your financial needs now and into the future.

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