



Coronavirus Business Interruption Loan Scheme

The new temporary Coronavirus Business Interruption Loan Scheme is now available through participating lenders. The scheme aims to support SMEs across the UK that are losing revenue, and seeing their cash flow disrupted, as a result of the COVID-19 outbreak.

Update: *CBILS has been significantly expanded along with changes to the scheme's features and eligibility criteria. The changes mean even more smaller businesses across the UK impacted by the coronavirus crisis can access the funding they need. The expanded scheme will be operational from **Monday 6th April.***

A lender can provide **up to £5 million** in the form of:

- term loans
- overdrafts
- invoice finance
- asset finance

CBILS gives the **lender** a government-backed guarantee for the loan repayments to encourage more lending. Which may enable a “no” credit decision to become a “yes”.

The borrower remains fully liable for the debt.

Under the scheme personal guarantees of any form will not be taken for facilities below £250,000. For facilities above £250,000 personal guarantees may still be required at the lender's discretion, however;

- recoveries under these are capped at a maximum of 20% of the outstanding balance of the CBILS facility after the proceeds of business assets have been applied;
- a Principal Private Residence (PPR) cannot be taken as security to support a personal guarantee or as security for a CBILS-backed facility

Businesses can access the first 12 months of that finance interest free, as the government will cover the first 12 months of interest payments and any lender levied charges.

Here are the **#FACTS**:

- In the first instance, businesses should approach their own provider – ideally via the lenders website.
- The business should have a viable business proposal, were it not for the Covid-19 pandemic.
- Importantly, access to the scheme has been opened up to those smaller businesses who would have previously met the requirements for a commercial facility but would not have been eligible for CBILS. **Insufficient security is no longer a condition to access the scheme.**

For further information see the [British Business Bank infographic](#)

Find out more

[how smaller businesses can apply for the scheme](#)

[lists of lenders already providing finance through CBILS](#)