



## **Small businesses boosted by bounce back loans**

The Government launched a new scheme on Monday 27<sup>th</sup> April which will enable small businesses to benefit from a new fast-track finance scheme providing loans with a 100% government-backed guarantee for lenders.

- businesses will be able to borrow between £2,000 and £50,000 and access the cash within days
- loans will be interest free for the first 12 months, and businesses can apply online through a short and simple form

Rishi Sunak said the new Bounce Back Loans scheme, which will provide loans of up to £50,000, would help bolster the existing package of support available to the smallest businesses affected by the coronavirus pandemic.

The scheme has been designed to ensure that small firms who need vital cash injections to keep operating can get finance in a matter of days, and comes alongside the £6 billion awarded in business grants, supporting 4 million jobs through the job retention scheme and generous tax deferrals supporting hundreds of thousands of firms.

The government, which has been consulting extensively with business representatives about the design of the new scheme, will provide lenders with a 100% guarantee for the loan and pay any fees and interest for the first 12 months. No repayments will be due during the first 12 months.

The loans will be easy to apply for through a short, standardised online application. The loan should reach businesses within days- providing immediate support to those that need it as easily as possible.

The Chancellor of the Exchequer, Rishi Sunak, said:

“Our smallest businesses are the backbone of our economy and play a vital role in their communities. This new rapid loan scheme will help ensure they get the finance they need quickly to help survive this crisis.”

This is in addition to business grants, tax deferrals, and the job retention scheme, which are already helping to support hundreds of thousands of small businesses.

Business Secretary Alok Sharma said:

“Our small businesses are vital in ensuring our communities thrive and will be crucial in creating jobs and securing economic growth as we recover.”

This rapid loan scheme offers additional protection so small companies across the country can get access to the finance they need immediately, as part of the unprecedented package of support we have put in place.

The scheme will launch for applications on Monday 4 May. Firms will be able to access these loans through a network of accredited lenders.

The government will work with lenders to ensure loans delivered through this scheme are advanced as quickly as possible and agree to a low standardised level of interest for the remaining period of the loan.