



# British Business Bank

## **Coronavirus Business Interruption Loan Scheme (CBILS) SMEs Factsheet**

[www.british-business-bank.co.uk/CBILS](http://www.british-business-bank.co.uk/CBILS)

## CBILS SME Factsheet

The Coronavirus Business Interruption Loan Scheme, delivered through 40+ British Business Bank accredited lenders and partners, is designed to support the continued provision of finance to UK smaller businesses (SMEs) during the Covid-19 outbreak.

The scheme enables lenders to provide facilities of up to £5m to smaller businesses across the UK who are experiencing lost or deferred revenues, leading to disruptions to their cashflow. It supports a wide range of business finance products, including term loans, overdrafts, invoice finance and asset finance facilities.

### New scheme features

- No personal guarantees for facilities under £250k: Personal guarantees of any form cannot be taken under the scheme for any facilities below £250k.
- Personal guarantees for facilities above £250k: Personal guarantees may still be required, at a lender's discretion, but 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 CBIL backed facility.
- Security: For all facilities, including those over £250,000, CBILS can now support lending to smaller businesses even where a lender considers there to be sufficient security, making more smaller businesses eligible to receive the business interruption payment.

[Please read our CBILS FAQ for businesses](#)

## How to apply

### 1. Find a lender

[View and select a CBILS accredited lender](#)

### 2. Approach a lender

You should approach a [lender](#) yourself, ideally via the lender's website.

**Note:** There is high demand for CBILS facilities. Phone lines are likely to be busy and branches may not be able to handle enquiries in person.

Not every accredited lender can provide every type of finance available under CBILS, and

the amount of finance offered varies between lenders. Please see the lenders' websites for more information on the amounts they are able to offer.

### **3. The lender makes a decision**

The lender has the authority to decide whether to offer you finance.

Under the scheme, lenders will not take personal guarantees of any form for facilities below £250,000.

For facilities above £250,000, personal guarantees may still be required, at a lender's discretion, but:

- 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 CBIL backed facility.

### **4. If the lender turns you down**

If one lender turns you down, you can still approach other lenders within the scheme.

Access to the scheme has now been opened up to smaller businesses facing cashflow difficulties, who previously would not have been eligible for CBILS because they met the requirements for a standard commercial facility.

You may therefore consider re-contacting your lender if you have previously been unsuccessful in securing funding.

### **5. Who is eligible**

Your business must:

- Be UK-based in its business activity
- Have an annual turnover of no more than £45 million
- Have a borrowing proposal which the lender would consider viable, were it not for the current pandemic
- Self-certify that it has been adversely impacted by the coronavirus (COVID-19).

[View our Quick Eligibility Checklist](#)

Businesses from any sector can apply, except the following:

- 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.

[View our CBILS frequently asked questions for businesses](#)

## What lenders will need from you

When you apply for a business loan, most lenders will ask you for the following:

### Details of the loan

- The amount you would like to borrow
- What the money is for – the lender will check that it's a suitable business purpose and the right type of finance for your needs

The period over which you will make the repayments – the lender will assess whether the loan is affordable for you

### Supporting documents

You will need to provide certain evidence to show that you can afford to repay the loan. This is likely to include:

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

The above requirements will vary from lender to lender. If you do not have everything listed here, a CBILS loan could still be an option to provide finance to support your business.

**Note:** For many customers approaching their existing lenders for a smaller facility, the process may be automated and therefore may not require the same level of documentation.

To learn more about lenders' requirements, see the [Better Business Finance lending application checklist](#).

## Other business finance support options

You can find details of other government measures to support public services, people and businesses through this disruption on the Government's [Business Support website](#).

### Guidance and support for your business during this period of uncertainty

The British Business Bank and The Institute of Chartered Accountants in England and Wales (ICAEW) have created new content to help businesses that are facing financial and operational challenges as a result of the coronavirus outbreak.

You can view this regularly updated guidance at the [Business Finance Guide website](#).