



Bounce Back Loan Scheme

Responding to COVID-19

Bounce Back Loan Scheme

1. **Bounce Back Loan Scheme:** The scheme will help small and medium-sized businesses allowing them to borrow a loan of between £2,000 and £50,000. The Government will guarantee 100% of the loan for the lender and will cover any fees and interest payments for the first 12 months.
 - a. **Eligibility:** All UK businesses negatively affected by COVID-19 and trading as of 1st March 2020.
 - b. **How to access:** The scheme is expected to launch on 4th May 2020.

Useful Links

[Coronavirus Bounce Back Loan Government Announcement](#)

More information

1. Small Business Grant Fund

All UK business negatively affected by COVID-19 can apply to borrow up to 25% of their annual turnover, with a minimum loan size of £2,000 and a maximum of £50,000. Key features of the scheme include:

- i. The Government will guarantee 100% of the loan for the lender, meaning lenders should be much more willing to lend to businesses
- ii. No fees for the first 12 months, meaning no arrangement fees or early repayment charges if repaid during this period
- iii. No interest payable for the first 12 months, the Government will then work with the lender to ensure low interest rates thereafter
- iv. No capital repayments are required during the first 12 months
- v. Loan terms are up to 6 years
- vi. The scheme will be delivered through a network of accredited lenders

a. Eligibility

All UK businesses that:

- i. Have been negatively affected by COVID-19
- ii. Were trading as of 1st March 2020
- iii. Were not already undergoing financial difficulty prior to COVID-19

Who cannot apply:

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

b. How to access

The scheme is due to launch on 4th May 2020 and therefore cannot be accessed at present.

The Government have advised that the application process will consist of a short, two sided application form and should not require businesses to provide business plans or detailed forecast information. As part of this the borrower will be required to certify that they have a viable business which is aimed at lifting some of the financial obligations of the lender. Successful applicants are then expected to receive the cash within 24 hours.

Useful Links

[Coronavirus Bounce Back Loan](#)

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