



COVID-19 – Recovery Loan Scheme

The Recovery Loan Scheme (RLS), announced by the Chancellor in his Spring Budget, aims to ensure support for businesses of any size where Covid-19 has affected your business. The finance can be used for any legitimate business purpose – including managing cashflow, investment and growth.

The scheme is to run from 6 April to 31 December 2021 and replaces the Bounce Back Loan Scheme (BBLs) and Coronavirus Business Interruption Loan Scheme (CBILS), which closed on 31 March 2021.

Up to £10 million is available per business. The actual amount offered, and the terms are at the discretion of participating lenders.

The government guarantees 80% of the finance to the lender. As the borrower, you are always 100% liable for the debt. Loans are available through a network of accredited lenders, listed on the British Business Bank's website which you can access via this link <https://www.british-business-bank.co.uk/ourpartners/recovery-loan-scheme/current-accredited-lenders/>

Eligibility

You can apply for a loan if your business is trading in the UK. You need to show that your business:

- would be viable were it not for the pandemic.
- has been adversely impacted by the pandemic.
- is not in collective insolvency proceedings.

Businesses from any sector can apply, except:

- banks, building societies, insurers, and reinsurers (but not insurance brokers)
- public-sector bodies
- state-funded primary and secondary schools

If your business has already borrowed from any of the other coronavirus loan schemes such as the Bounce Back Loan Scheme (BBLs), the Coronavirus Business Interruption Loan Scheme (CBILS) or the Coronavirus Large Business Interruption Loan Scheme (CLBILS), the RLS is still open to you, although the amount you have borrowed under an existing scheme may limit the amount you may borrow under RLS.

What you can get:

- term loans or overdrafts of between £25,001 and £10 million per business
- invoice or asset finance of between £1,000 and £10 million per business

No personal guarantees will be taken on facilities up to £250,000, and a borrower's principal private residence cannot be taken as security.

How long the loan is for:

The maximum length of the facility depends on the type of finance you apply for and will be:

- up to 3 years for overdrafts and invoice finance facilities
- up to 6 years for loans and asset finance facilities

As always if you want more information, or if we can help in any other way, please get in touch.



If you would like to discuss this further, please speak to John Jones via email or phone:

John Jones
Corporate Finance and Forensic Partner
e. john.jones@beeverstruthers.co.uk
t. 00 44 161 832 4901