

The Bounce Back Loan Scheme (BBLs)

ABOUT THE SCHEME

The Bounce Back Loan Scheme (BBLs) is a new scheme designed to enable businesses to access finance more quickly during the coronavirus outbreak. The scheme went live on the 4 May 2020 and provides financial support to businesses across the UK that are losing revenue, and seeing their cash flow disrupted, as a result of the COVID-19 outbreak and that can benefit from £50,000 or less in finance.

The scheme is a part of a wider package of government support for UK businesses and employees. Read more at the Government's [Business Support website](#).

HOW IT WORKS

BBLs is available through a range of [British Business Bank accredited lenders and partners](#), listed on the British Business Bank website.

A lender can provide a six-year term loan from £2,000 up to 25% of a business' turnover. The maximum loan amount is £50,000.

The scheme gives the **lender** a full (100%) government-backed guarantee against the outstanding balance of the facility (both capital and interest).

The borrower always remains fully liable for the debt.

KEY FEATURES OF THE SCHEME

Finance of up to £50,000	Guarantee to the lender to encourage them to lend	Government pays interest and fees for 12 months	Affordable interest rate
Loans range from £2,000 up to 25% of a business' turnover. The maximum loan amount is £50,000.	The scheme provides the lender with a full (100%), government-backed guarantee against the outstanding balance of the finance (both capital and interest). The borrower remains 100% liable for the debt.	The Government will make a Business Interruption Payment (BIP) to cover the first 12 months of interest payments. The borrower does not have to make any repayments for the first 12 months.	The interest rate for the facility is set at 2.5% per annum, meaning businesses will all benefit from the same, affordable rate of interest.

Finance terms	Security	No guarantee fees for businesses or lenders
The length of the loan is six years but early repayment is allowed, without early repayment fees.	Lenders are not permitted to take personal guarantees or take recovery action over a borrower's personal assets (such as their main home or personal vehicle).	There is no fee to access the scheme for either businesses or lenders.

HOW TO APPLY

1. FIND A LENDER

View and select a BLS accredited lender

2. APPROACH A LENDER

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

In the first instance, you should approach your own provider. You may also consider approaching other lenders if you are unable to access the finance you require.

You will need to fill in a short application form online, which self-certifies that your business is eligible for a loan under BLS.

If your business is eligible, it will be subject to appropriate customer fraud, Anti-Money Laundering (AML) and Know Your Customer (KYC) checks. Some state aid restrictions may apply to your application.

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

3. THE LENDER MAKES A DECISION

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

Under the scheme, lenders are **not** permitted to:

- take any form of personal guarantee
- take recovery action over a borrower's personal assets (such as their main home or personal vehicle)

4. IF THE LENDER TURNS YOU DOWN

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

BLS is designed to be fast for lenders to process and quick and easy for businesses to access. To help achieve this, you will only be required to fill out a short application form online.

WHO IS ELIGIBLE

Your business must be able to self-declare to the lender that it:

- has been impacted by the coronavirus (COVID-19) pandemic
- was **not** a [business in difficulty](#) at 31 December 2019 (if it was, you must confirm your business complies with additional state aid restrictions under de minimis state aid rules)
- is engaged in trading or commercial activity in the UK and was established by 1 March 2020
- is **not** using the Coronavirus Business Interruption Loan Scheme (CBILS), the Coronavirus Large Business Interruption Loan Scheme (CLBILS) or the Bank of England's Covid Corporate Financing Facility Scheme (CCFF), unless the Bounce Back Loan will refinance the whole of the CBILS, CLBILS or CCFF facility
- is **not** in bankruptcy or liquidation or undergoing debt restructuring at the time it submits its application for finance
- derives more than 50% of its income from its [trading activity](#) (this requirement does not apply to charities or further-education colleges)
- is **not** in a restricted sector (see below)

Note:

Bounce Back Loans are available to businesses in all sectors, **except** the following:

- Credit institutions (falling within the remit of the Bank Recovery and Resolution Directive)
- Insurance companies
- Public-sector organisations
- State-funded primary and secondary schools

If you need any help or advice making a claim please contact your relationship partner or manager.



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