



# MHA Financial Solutions

Now, for tomorrow

# The 3 Coronavirus Business Interruption Loan Schemes



## Further Government Support for Viable Businesses

As anticipated, the Chancellor outlined that the 3 Coronavirus Government Interruptions Loan Schemes are to continue until 30<sup>th</sup> November 2020.

A new scheme will replace them from 21st January 2021 – Details on what will replace CBILS is still to be announced!

Changes have been made to the scheme which the Government hope will allow more business to qualify for funding support and as enable business to repay the funds borrowed...

# The Coronavirus Business Interruption Loan Schemes



	Data up to close of business	Value of Facilities Approved	Number of Facilities Approved	Total Number of Applications	Approval %
Coronavirus Business Interruption Loan Scheme (CBILS)	20 <sup>th</sup> September 2020	£15.45bn	66,585	142,076	47%
Coronavirus Large Business Interruption Loan Scheme (CLBILS)	20 <sup>th</sup> September 2020	£3.84bn	566	992	56%
Bounce Back Loan Scheme (BBLS)	20 <sup>th</sup> September 2020	£38.02bn	1,260,940	1,552,727	81%

<https://www.gov.uk/government/collections/hm-treasury-coronavirus-covid-19-business-loan-scheme-statistics>



# Changes to the CBILS Scheme

## The Headlines



**HMG guarantee on CBILS & BBLs extended to 10 years.**

**Extending application deadline for CBILS, CBILS & BBLs until 30th November 2020**

**The Chancellor will launch successor “Loan Guarantee Scheme” which is due to start on 21st January 2021.**

**Coronavirus Business Interruption Loans (CBILS) & The Bounce Back Loan Scheme (BBLs) have had the loan terms extended to maximum 10yrs term from 6yrs. The larger scheme – Coronavirus Larger Business Interruption Loan Scheme (CLBILS) remains unchanged.**

**On The Bounce Back Loan Scheme - Businesses can now choose to make interest only repayments "pay as you grow" and can also suspend repayments for 6 months, if the business is “in difficulty.”**

**If companies take up the option above, the Chancellor has said it they will not be penalised and their credit ratings will remain unchanged.**

**The date for assessing whether a business is ‘in difficulty’ has been changed from 31/12/2019 or a company’s 2019 Year End, to the date the application is made to the CBILS Scheme.**

# Key Takeaways



In essence these changes are about encouraging businesses, that haven't until now needed to apply for Government Support to access it, given the resurgence of the pandemic and resulting restrictions from the Government.

I caveat that with the fact that the loans can now be spread over 10yrs which may assist a small number of businesses with the affordability ratios employed by the lenders & also the change to 'in difficulty' assessment date.

53 Days to left to apply...

The scheme eligibility criteria has fundamentally not changed and so if you weren't eligible before the Chancellor spoke, then you are unlikely to be eligible today!

Cashflow planning is really tough right now, and "cash is king" has never been truer, especially with more restrictions / lockdowns likely & the replacement scheme not launching until 21<sup>st</sup> January 2021!

# Having Trouble Securing Funding?



MHA Financial Solutions (MHAFS) is a whole of market commercial finance specialist here to help businesses find the right finance for their situation. Whether you are looking for a commercial property mortgage, asset finance or an unsecured business loan, we can find a funding solution for every credit type.

We are unique in the market-place, in that we can access funding from over 150 banks and lenders across the whole commercial finance spectrum.

We are not tied to a specific funder, so you will always be offered a range of bespoke funding solutions. This gives you the option to choose the best deal for your circumstances.

In addition to crafting a bespoke deal for all of our clients, we abide by the NACFB & FIBA code of conduct & have FCA Approvals.



<https://www.macintyreHUDSON.co.uk/publications/article/covid-19-how-we-can-support-businesses-to-obtain-funding>



**Greg Taylor**

Partner, Head of MHA Financial Solutions

**E:** Gregory.Taylor@mhllp.co.uk

**M:** +44 (0)7736 297 072



**Ian Jackson**

Commercial Broking Director

**E:** Ian.Jackson@mhllp.co.uk

**M:** +44 (0)7736 359 766