



BUSINESS IMPROVEMENT DISTRICT

Bounce Back Loan Scheme

Key information on the bounce back loan scheme for businesses

*Information from British Business Bank – correct at time of writing – May 2020

www.swanseabid.co.uk



What is the bounce back loan scheme?

The bounce back loan scheme is a new scheme designed to enable businesses to access finance more quickly during the coronavirus outbreak.

It provides financial support to businesses across the UK that are losing revenue, and seeing their cashflow 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.

Who is the scheme for?

The bounce back loan scheme was designed with smaller businesses and sole traders in mind, but businesses of any size can apply.

Here are the criteria you need to meet to be eligible:

- You must show that your business has been adversely impacted by Covid-19.
- The business must have been established on or before 1 March 2020.
- The business must still be trading at the time of application.
- The business must NOT have been in financial difficulty at 31 December 2019.
- The business is NOT a bank, building society, insurance company, public sector organisation, state-funded primary or secondary school, or an individual other than a sole trader or a partner acting on behalf of a partnership.



Key information on the scheme

- You can borrow between £2,000 and £50,000. Though the amount is capped at 25% of your total turnover.
- No interest will be charged and no repayments will need to be made in the first 12 months.
- After 12 months, all banks will charge a fixed 2.5% interest.
- You can repay the loan early if you need to, without having to pay a penalty.
- You need a business to set these up but don't need a business bank account.
- The loans are set up to last for six years. The first year is interest-free, then the following 5 years with interest charged at 2.5%
- Your credit ratings (business or personal) won't impact your eligibility.
- Bounce back loans DON'T affect your eligibility for other Government personal support. You can still apply for a bounce back loan and get the self-employment income support grants, and you may still be eligible for universal credit.

How to apply

- Find a lender.

Check the British Business Bank website for an up to date list of banks offering the loans.

- Visit the lender's website and fill in their online application form.

When filling in your application, you'll need details of your annual turnover, account number, the amount you want to borrow, a copy of your tax return and also to confirm that your business has been adversely impacted by coronavirus..

- The lender will make a decision on whether to offer you the loan or not.

If you're accepted you should get the funds within a few days.

If you're refused the loan you can try again with another lender.



Which banks are offering the loans?

As of 6th May 2020 these lenders are offering the loans:

Bank of Scotland

Barclays

Clydesdale and Yorkshire Banks

Danske Bank

HSBC

Lloyds Bank

NatWest

Santander

RBS

TSB

Ulster Bank



Checklists for businesses

Eligibility checklist

1. Business was established on/before 1.3.2020
2. Business has been adversely affected by coronavirus (COVID-19).
3. Business is currently still trading
4. The business was NOT in financial difficulty at 31 December 2019.
5. The business is NOT a bank, building society, insurance company, public sector organisation, state-funded primary or secondary school, or an individual other than a sole trader or a partner acting on behalf of a partnership.

Application process

1. Find a suitable lender (preferably the bank you already use)
2. Make sure you have:
 - Details of annual turnover
 - Bank account number
 - The amount you want to borrow in mind
 - A copy of your tax return from last tax year
3. Visit lender's website and complete application form