

Business Disruption Loan Guarantee Scheme



The Business Disruption Loan Guarantee Scheme allows banks to lend to businesses when they wouldn't normally be able to, by the Government guaranteeing **80% of the lending**

4.5%

Interest rates under the scheme **won't exceed 4.5%** above the Bank of England base rate



It is available for loans and overdrafts to assist working capital between **£5k-£500k**



It is **open to all local businesses**



Jersey Business can assist businesses in accessing the scheme, jerseybusiness.je



The participating banks include **Barclays, HSBC, NatWest International, Santander International, and Lloyds International**

How does the scheme work?

The scheme allows financing to reach local businesses where their bank is not able to lend, in the form of loans and overdrafts. Government underwrites 80% of lending to local businesses, up to a value of £50m. The relationship is between the business and the bank, and Government will have no relationship with the borrower.

Who should I talk to about the scheme?

If you are interested in borrowing to help your business through Covid-19 related difficulties, you should talk to your bank or Jersey Business. The bank may be able to help in line with their usual commercial terms and may be able to use the scheme to help you. Jersey Business can also help businesses to prepare borrowing propositions, which may expediate the process of getting a loan. Jersey Business can also provide wider support to businesses, www.jerseybusiness.je.

What is the maximum amount I can borrow?

Businesses can borrow between £5,000 to £500,000 under the scheme. This will be agreed between the business and the bank. Banks may be able to lend more outside of the scheme, in accordance with their own commercial procedures.

When will I have to repay the loan or overdraft?

Under this scheme the loan or overdraft is between a borrower and their bank. The repayment process for repaying the loan will generally be aligned with the commercial terms of the bank.

What happens if I am unable to make repayments by the due dates?

If you borrow under the scheme but then find that you are struggling to make payments, in the first instance you should talk to the bank, who will be able to explore flexible ways to meet the payments. However, this is a loan, so it is important to remember before taking it out that it will need to be repaid.

I already have several creditors I need pay as soon as possible, how quickly can I access a Business Disruption Loan Scheme loan?

You should discuss this with your bank as they will facilitate the application process. The scheme is only available to new working capital facilities.

I wasn't originally able to apply as my business operates in a sector that was excluded, but is now eligible. What should I do?

If you are still interested in borrowing to support your business you should talk to your contact at your bank or Jersey Business. You will be able to help you start a new application to borrow.