

Introducing the Recovery Loan Scheme

1 IS MY BUSINESS ELIGIBLE FOR THE RECOVERY LOAN SCHEME?

You can apply for the RLS even if you've already taken out a loan via the now closed Coronavirus Business Interruption Loan Scheme or Bounce Back Loan Scheme.

If you want to apply for the RLS, you'll need to show that your business:

- Is trading in the UK
- Is viable or would be viable were it not for the pandemic
- Has been impacted by the coronavirus pandemic
- Is not in collective insolvency proceedings (unless your business is in scope of the Northern Ireland Protocol in which case [British Business Bank](#))

2 WHICH ORGANISATIONS ARE NOT ELIGIBLE FOR THE SCHEME?

Some organisations are not eligible for the Recovery Loan Scheme. If your organisation falls into one of the categories below, you won't be able to apply for a loan.

Organisations that are NOT eligible include:

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

3 WHAT CAN I BORROW USING THE RECOVERY LOAN SCHEME?

If your business meets the criteria for the scheme, you can apply for a Recovery Loan from one of the approved lenders that have signed up to the scheme. Your options include:

- **Term loans or overdraft** – you can borrow between £25,001 and the lesser of £10 million, 25% of 2019 turnover or double the wage bill of 2019.
- **Invoice finance or asset finance** – you can borrow between £1,000 and the lesser of £10 million, 25% of 2019 turnover or double the wage bill of 2019.

4 HOW DOES THE RECOVERY LOAN SCHEME DIFFER FROM CBILS?

In many ways, the Recovery Loan Scheme is very similar to CBILS. But there are some crucial differences that you should be aware of before deciding on whether to apply.

What has stayed the same?	What is different?
<ul style="list-style-type: none">• No personal guarantees up to £250k.• Same criteria for UK trading companies, being a viable business that is not in financial difficulty.• Public sector, banks, building societies, insurers and reinsurers, and state funded primary and secondary schools cannot apply.• Finance terms are up to six years for term loans and asset finance facilities. For overdrafts and invoice finance facilities, terms will be up to three years.• The government guarantees 80% of the finance to the lender to ensure they continue to have confidence to lend.• A borrower's principal private residence cannot be taken as security.	<ul style="list-style-type: none">• Interest and fees will be paid by the business from the outset: companies would be required to meet the costs of interest payments and any fees associated with the facility.• Starts from £25k and goes up to £10m.• No turnover limit for applications (£45m previously).• No more secured product.• A business can apply for the Recovery Loan Scheme even if it has an existing BBL, CBIL or Coronavirus Large Business Interruption Loan (CLBIL).• Anything borrowed under CBILS or CLBILS will count towards a business' maximum amount.