



Recovery Loan Scheme

The Government have introduced a recovery loan scheme to enable businesses of any size to access loans of up to £10 million per business. The finance is to support businesses and help them recover from the pandemic, the loan may be used for any legitimate business purpose, including growth and investment. The loans are available through a network of accredited lenders and the Government will guarantee 80% of the loan.

The scheme is open from the 6th April 2021 and will close on the 31st December 2021, subject to review. Further details will be confirmed nearer the 6th April, please see below for the information released at present:

Type of finance available

- Term loans and overdrafts will be available between £25,001 and £10 million per business.
- Invoice finance and asset finance will be available between £1,000 and £10 million per business

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.

No personal guarantees will be taken on facilities up to £250,000, and a borrower's principal private residence cannot be taken as security.

Eligibility

You will be able to apply for a loan if your business:

- is trading in the UK

You will need to show that your business:

- 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 - further details will be provided in due course

Business that have received support under the existing COVID-19 guaranteed loan schemes will still be eligible to access finance under this scheme, if they meet all other eligibility criteria.

Who cannot apply

Businesses from any sector will be eligible to apply, except:

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

For further information, please [click here](#)