

Q. Is this new scheme a replacement of EFG or a new additional variant?

A. The Coronavirus Business Interruption Loan Scheme ("CBIL Scheme") operates under the same infrastructure as EFG but is a new scheme built on more generous terms for both Borrowers and Lenders, for all new facilities offered under the scheme from 23 March 2020. The UK Government has taken this decision in light of the increased likelihood of businesses facing interruption as a direct result of the Coronavirus (COVID-19) outbreak. It is designed to provide lenders with more confidence and additional flexibility to continue lending to UK SMEs in this period of real uncertainty. Borrowers will remain 100% liable for repayment of any facility supported by the CBIL Scheme.

Q. If a Facility would have been eligible under EFG will it still be eligible under the CBIL Scheme?

A. Yes, although the maximum amount the SME can borrow may be restricted under the Temporary Framework for State aid measures. The CBILS Scheme has been introduced as a temporary measure with the aim of supporting the continued provision of finance to UK SMEs during the COVID-19 outbreak. There has been a relaxation of certain requirements to accommodate some of the expected knock-on impacts of coronavirus on businesses short-term cash-flow and performance.

Q. Are there any restrictions on transferring an EFG Facility from another Lender?

A. An EFG Facility cannot be transferred or reassigned between Lenders.

Q. What assets or purposes are acceptable for a CBIL deal?

A. The Loan is a working capital facility, no assets are required. For Hire Purchase all assets are considered.

Q. Can I offer a 12 month Loan / Hire Purchase which is interest free?

A. Yes, subject to credit approval.

Q. If the Customer's trading position improves dramatically in the next 12 months can they settle the loan before their rental increases?

A. For CBILS Loan - Yes, this will be without penalty. The settlement will be calculated using the outstanding capital balance plus unearned interest up to and including the valid date of the settlement quote.

FOR CBILS Hire Purchase – Yes, this will be as per our standard settlement terms.

Q. If the Customer fails, will my finder's fee / commission be subject to a debit back?

A. For CBILS Loans we will not issue any debit backs for a Finder's fee on a Loan.

For Hire Purchase your standard debit back as detailed in your Introducer Trading Agreement will be applicable.

Q. What is our definition of an existing customer for Loans?

A. An existing customer is someone who has a live HCUK agreement, or one that has finished in the last 12 months.

Q. Does the CBILS credit policy replace our existing credit policy?

A. No. HCUK need to prove to the BBB that we would have accepted the deal under our 'standard' credit policy if COVID 19 had not happened,

Q. Can a customer have more than one CBILS loan?

A. A customer can have more than one CBILS facility. Customers need to advise their lender of any BIP, or CBILS facilities that they have to ensure that they do not breach the BBB limits. The limits for interest & fee payments are £720,000.00 for most sectors.

Q. Can the customer settle the Agreement before the end of term?

A. For CBILS Loan - Yes, this will be without penalty. The settlement will be calculated using the outstanding capital balance plus unearned interest up to and including the valid date of the settlement quote.

FOR CBILS Hire Purchase – Yes, this will be as per our standard settlement terms.

Q. Fishery, Aquaculture, and primary production of Agriculture all carry stricter funding caps. Are these amounts the maximum that can be financed on the scheme?

A. No. these caps are on the interest and fees that the BBB will pay in the first year.

Q. What is the BBB's definition of 'Agricultural production'?

A. Agricultural production means the production of agricultural and forest crops for gain or profit through normal farming operations.

Q. If I proposed a CBILS Loan with a value below £50,001 before the 4th May 2020, will this be honoured?

A. For any CBILS proposal received before the 4th May you will be contacted by your Account Manager to ask if the customer still wishes to proceed. If the customer wishes to proceed this will still be valid. This is not applicable to Hire Purchase as the product was not available before the 4th May 2020.

Q. If my customer has applied for a Bounce Back Loan (BBL), can they have a CBILS?

A. No, if a customer has a BBL they cannot have a CBILS.

Q. Will you consider business who are not existing customers for Hire Purchase?

A. Yes, we will consider new and existing customers through our Introducers.