

Coronavirus Business Interruption Loan Scheme (CBILS) Broker Information

Coronavirus Business Interruption Loan Information Guide		
What is the Coronavirus Business Interruption Loan?	On Wednesday 11 March during the Budget the Chancellor of the Exchequer announced the new Coronavirus Business Interruption Loan Scheme (CBILS), managed by the British Business Bank on behalf of, and with the financial backing of, The Secretary of State for Business, Energy and Industrial Strategy. This scheme will be run on the Enterprise Finance Guarantee (EFG) Scheme's documents and processes for an origination period of six months. CBILS will be available to existing EFG accredited lenders and in due course to newly accredited lenders. The aim of the CBIL Scheme is to counteract the potential impact of Coronavirus (COVID 19) on business activity.	
Security	The Guarantee may only be used where there are some concerns over the short-to-medium term performance of the SME business due to the uncertainty and impact of the Coronavirus (COVID-19). HCBF can certify that a) a proposal would not proceed in the absence of the additional security provided by the guarantee & that the finance will help the SME to trade-out of any short-to-medium term cash flow difficulty and (b), if the facility is granted, the SME should not go out of business in the short-to-medium term, then the proposition may be eligible under the CBIL Scheme.	
Products	CBILS Loan	CBILS Hire Purchase / Sales & HP Back
Introducer Requirements	<ul style="list-style-type: none"> The Introducer must have signed an EFG addendum & completed the EFG test. FCA Credit Brokering permission to introduce Loans. Not required for corporate bodies. 	<ul style="list-style-type: none"> The Introducer must have signed an EFG addendum & completed the EFG test. FCA Credit Brokering permission to introduce Hire Purchase. Not required for corporate bodies.
Fees & Interest	<ul style="list-style-type: none"> No documentation fees will be charged by HCBF. The interest charge for the first 12 months will be covered by the BBB, subject to the maximum limit set by the BBB. No early redemption fees. 	<ul style="list-style-type: none"> No documentation fees will be charged by HCBF. The interest charge for the first 12 months will be covered by the BBB, subject to maximum as per the BBB guidelines. BIP payment will be eligible for amounts up to £720k, with the exception of Fishery, Aquaculture, and primary production of Agriculture all carry stricter funding caps for the full interest & fees - The cap is £108k for Fishery and Aquaculture, £90k for primary production of agricultural products) Standard Option to Purchase fee will be payable with the final instalment to transfer title of the goods. Standard settlement fees will apply.
Benefit to HCBF	The BBB will guarantee up to 80% of HCBF loss in the event of default	The BBB will guarantee up to 80% of HCBF loss in the event of default.
CBILS Eligibility Criteria		
Availability	<ul style="list-style-type: none"> HCUK need to prove to the BBB that we would have accepted the deal 	<ul style="list-style-type: none"> HCUK need to prove to the BBB that we would have accepted the deal under our

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	<p>under our 'standard' credit policy if COVID 19 had not happened.</p> <ul style="list-style-type: none"> Existing HCUK customers only at this time. This is customers who have a live Agreement with HCUK, or it has finished in the last 12 months. Sole Traders, Partnerships, Unincorporated entities, Ltd & Plc's. Business users only. Requested amount should not exceed 25% of the total turnover in 2019. Companies must have been impacted by COVID 19 to qualify and will need to self-certify to this. Photo ID is required on every deal Fishery, Aquaculture, and primary production of Agriculture all carry stricter funding caps for the full interest & fees - The cap is £108k for Fishery and Aquaculture, £90k for primary production of agricultural products <p>NB. Proposals will be valid for 30 days.</p>	<p>'standard' credit policy if COVID 19 had not happened.</p> <ul style="list-style-type: none"> New and existing HCUK customers. Sole Traders, Partnerships, Unincorporated entities, Ltd & Plc's. Business users only. Requested amount should not exceed 25% of the total turnover in 2019. Companies must have been impacted by COVID 19 to qualify and will need to self-certify to this. Photo ID is required on every deal Asset Inspection on all deals over £75k, unless requested by credit. Inspections to be either by ScanMaster (your account manager can arrange this), or by the Introducer if permitted. Not required for franchised dealers, unless requested by credit. Fishery, Aquaculture, and primary production of Agriculture all carry stricter funding caps for the full interest & fees - The cap is £108k for Fishery and Aquaculture, £90k for primary production of agricultural products <p>NB. Proposals will be valid for 90 days.</p>
Exclusions	<ul style="list-style-type: none"> Businesses in distress before COVID-19 Companies who are loss making in 2019. Customers we have previously declined. Private individuals funding non-business use assets. State Funded schools, Financial Services (banks, building societies and reinsurers), Public Sector, Companies with a turnover exceeding £45m. To support operations outside of the UK. Businesses who have taken out Bounce Back Business Loan (BBLs) 	<ul style="list-style-type: none"> Businesses in distress before COVID-19 Companies who are loss making in 2019. Customers we have previously declined. Private individuals funding non-business use assets. State Funded schools, Financial Services (banks, building societies and reinsurers), Public Sector, Companies with a turnover exceeding £45m. To support operations outside of the UK. Businesses who have taken out Bounce Back Business Loan (BBLs)
Amount, Term and Repayments	<ul style="list-style-type: none"> Transactions in Sterling only. Facility min. £50,001.00 to £250,000.00 max. A Loan for a period of 12 to 60 months. 	<ul style="list-style-type: none"> Transactions in Sterling only. Facility min. balanced financed (NOT cost price of goods) £25,001.00, to £5m (maximum subject to the BBB lending limit & HCBF credit criteria)

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	Repayments are to be monthly in arrears.	<ul style="list-style-type: none"> A Hire Purchase for a period of 12 to 60 months. Repayments are to be monthly in arrears. Normal deposit terms apply. 								
State Aid	<ul style="list-style-type: none"> HCBF must be made aware of any other BIPs (Business Interruption Payments) / CBILS that the customer has received. Businesses who have taken out a Bounce Back Loan cannot take out a CBILS. 	<ul style="list-style-type: none"> HCBF must be made aware of any other BIPs (Business Interruption Payments) / CBILS that the customer has received. Businesses who have taken out a Bounce Back Loan cannot take out a CBILS. 								
Credit Conditions	<ul style="list-style-type: none"> We may request Corporate Guarantees. 	<ul style="list-style-type: none"> For deals over £250k Directors Guarantees may be required. This guarantee is unlimited, but the law supporting the CBILS scheme limits any claim HCBF can make under the guarantee to 20% and cannot be secured to a personal private residence. The information is confirmed on the BBB website www.british-business-bank.co.uk <ul style="list-style-type: none"> Landlord waiver (if requested) Licence to Sublet (if requested) Cleared Funds for deposits over £15k 								
Pricing	<p>Please refer to your Account Manager for a quotation. A Finder's Fee will be payable in line with the table below.</p> <table border="1"> <thead> <tr> <th>Loan Value</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>£25k to £49k</td> <td>£250.00</td> </tr> <tr> <td>£50k to £99k</td> <td>£350.00</td> </tr> <tr> <td>£100k +</td> <td>£500.00</td> </tr> </tbody> </table>	Loan Value	Fee	£25k to £49k	£250.00	£50k to £99k	£350.00	£100k +	£500.00	<ul style="list-style-type: none"> Commission up to a maximum of 2%. <p>Please contact your Account Manager for a quotation.</p>
Loan Value	Fee									
£25k to £49k	£250.00									
£50k to £99k	£350.00									
£100k +	£500.00									
Market Sectors	<ul style="list-style-type: none"> Some exclusions and restrictions – State Funded schools, Financial Services (banks, building societies and reinsurers), Public Sector. <p>All other sectors to be discussed and considered.</p>	<ul style="list-style-type: none"> Some exclusions and restrictions – State Funded schools, Financial Services (banks, building societies and reinsurers), Public Sector. <p>All other sectors to be discussed and considered.</p>								
Asset Types	Loan for working capital	Asset Purchase - All assets considered.								
CBILS Documentation										

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<p>Documentation</p>	<p>Documentation will be completed by HCBF & sent via DocuSign to the signatory.</p> <p>Please ensure that you have provided:</p> <ul style="list-style-type: none"> • A contact name who MUST be a director or formally authorised signatory of the Customer • Position of the contact within the company • A valid email address for the signatory • Mobile telephone number for the signatory • Proof of ID for the signatory, required on all deals (see process guide for more information) • Confirmation of the number of employees, if not already provided. • Invoice for the Finder's Fee, unless self-biller <p>We are unable to send documentation through DocuSign to be forwarded.</p> <p>Once we have a credit approval and the above information, we will complete the documentation, sending directly to the customer using DocuSign.</p> <p>Requests for documentation must be sent to your Account Manager.</p> <p>The customer will receive:</p> <ul style="list-style-type: none"> • HCBF Loan Agreement including Direct Debit • CBILS Data Protection & Declaration Disclosure Form for the business. • Form of Information Declaration. • BIP letter includes self-certification to confirm the business has been effected by COVID 19, number of employees and confirmation that the business does not have a turnover over £45m across all directors and shareholders, amalgamated. A Guarantee Fee Schedule showing £0.00 • CBILS Borrowers letter. 	<p>The BBB documentation will be completed by HCBF & sent to you to forward onto the customer with the Hire Purchase Agreement and any additional documentation requested by credit.</p> <p>You will need to raise the Hire Purchase Agreement & any additional supporting documentation requested by credit.</p> <p>To request the BBB documentation to be raised, please ensure that you have provided:</p> <ul style="list-style-type: none"> • A contact name who MUST be a director or formally authorised signatory of the Customer • Position of the contact within the company • Confirmation of the number of employees, if not already provided • Confirmation of the amount and deposit. <p>Requests for documentation must be sent to your Account Manager.</p> <p>You will receive the following BBB documentation from HCBF:</p> <ul style="list-style-type: none"> • CBILS Data Protection & Declaration Disclosure Form for the business. (to be signed by the customer and sent back) <p>The Declaration can be signed by one authorised signatory on behalf of the company</p> <ul style="list-style-type: none"> • Form of Information Declaration. (to be signed by the customer and sent back) • BIP letter includes self-certification to confirm the business has been effected by COVID-19, number of employees and confirmation that the business does not have a turnover over £45m across all directors and shareholders, amalgamated. (to be signed by the customer and sent back) • A Guarantee Fee Schedule showing £0.00 (to be left with the customer) • CBILS Borrowers letter. (to be left with the customer)
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	<ul style="list-style-type: none"> Additional documentation as per the credit conditions. 	<p>You will need to draft the following:</p> <ul style="list-style-type: none"> HCBF Hire Purchase Agreement including a Direct Debit Additional documentation as per the credit conditions. <p>To enable payment we will require:</p> <ul style="list-style-type: none"> HCBF Hire Purchase Agreement including a Direct Debit Additional documentation as per the credit conditions. CIBLS Data Protection and Disclosure Declarations Form of Information Declaration BIP letter Proof of ID for the signatory, required on all deals (see process guide for more information) Supplier Invoice Asset inspection (if required) – details required for contact name, position, phone number and email address, asset details including serial number. Commission Invoice, unless self-biller For deposits over £15k - Confirmation of the date the customer paid the deposit to HCBF. <p>Please ensure that all the above information is send in one email to enable payment to bfstructuredfinance@hitachicapital.co.uk</p> <p>A Payment Checklist has been created to assist you in putting the documentation pack together to ensure everything has been provided.</p> <p>We will pay out on scanned documentation however we require the original signed documentation for Agreements over £250k.</p>
Contact		
Please contact your Account Manager for all queries.		