



## Apply for a Recovery Loan with Credit Solutions Agency

Whether you are rebuilding your business or getting ready to grow, Get ahead with a Recovery Loan...

- Loans from £25,001 - £750,000
- Borrow over 5 years (or repay early with no fee)
- Help on hand with your own account manager
- No personal guarantee on loans £250,000 or under

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## About the Recovery Loan Scheme

The Recovery Loan Scheme (RLS) launched on 6 April 2021 and supports access to finance for UK businesses as they recover and grow following the Covid-19 pandemic.

RLS aims to help businesses affected by Covid-19 and can be used for business purposes, including, managing cashflow, investment and growth. It is designed to support businesses that can afford to take out additional finance for these purposes. Businesses who have taken out a CBILS, CLBILS or BBLS facility are able to access the new scheme.

A key aim of the Recovery Loan Scheme is to improve the terms on offer to businesses, but if a lender can offer a business the choice of a commercial loan on better terms, without requiring the guarantee provided by the RLS, they should do so.

At Autumn Budget 2021, the government announced that the Recovery Loan Scheme will be extended by six months to 30 June 2022, with changes applying to all offers made from the 1 January 2022.

## Features of the Recovery Loan Scheme

Below you can find information about eligibility criteria and core scheme features provided by the British Business Bank.

### Scheme Features 1

**Up to £2m facility per business:** The maximum amount of a facility provided under the scheme is £2m per business (maximum £6m per group). Minimum facility sizes vary, starting at £1,000 for asset and invoice finance, and £25,001 for term loans and overdrafts. **Term length:** Term loans and asset finance facilities are available from three months, for up to six years, with overdrafts and invoice finance available from three months, for up to three years. **Interest and fees to be paid by the borrower from the outset:** Businesses are required to meet the costs of interest.

### Scheme Features 2

**Access to multiple Covid-19 schemes:** Businesses that have taken out a CBILS, CLBILS or BBLS facility are able to access the new scheme although the amount they have borrowed under a previous scheme may in certain circumstances limit the amount they may borrow under RLS.

**Personal Guarantees:** Personal guarantees are not permitted for facilities of £250,000 or less. Above £250,000 the maximum amount that can be covered under RLS is capped at a maximum of 20% of the outstanding balance of the RLS facility after the proceeds of business assets have been applied. No personal guarantees can be held over Principal Private Residences.

**Guarantee to the Lender:** The scheme provides the lender with a government-backed guarantee against the outstanding balance of the facility. The borrower always remains 100% liable for the debt.

### Eligibility Criteria

**Covid-19 impact:** The borrower must confirm to the lender that it has been impacted by Covid-19.

**UK-based:** The borrower must be carrying out trading activity in the UK.

**Viability test:** The lender will consider that the borrower has a viable business proposition but may disregard any concerns over its short-to-medium term business performance due to the uncertainty and impact of Covid-19.

**Credit and fraud check for all applicants:** Lenders will be required to undertake credit and fraud checks for all applicants. The checks and approach may vary between lenders.

**Turnover limit:** Businesses with a turnover not exceeding £45m per annum.

### **Legal Disclaimer**

The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy & Industrial Strategy. British Business Bank plc is a development bank wholly owned by HM Government. It is not authorised or regulated by the PRA or the FCA. Visit <https://www.british-business-bank.co.uk/ourpartners/recovery-loan-scheme/>

**Credit Solutions Agency is Directly Authorised and Regulated by the FCA.**

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