

For immediate release: 5 May 2020

Bounce back loans launches

Lichfield District Council is promoting the government's new loan scheme to small businesses across the district.

Small firms and sole traders – including high street staples like hairdressers, coffee shops and florists – will be eligible for 100 percent government-backed bounce back loans to help them make it through the coronavirus outbreak.

Small business owners can now apply to accredited lenders by filling out a simple online form, with only seven questions.

The government has also agreed with lenders that an affordable flat rate of 2.5 percent interest will be charged on these loans. And any business that has already taken out a coronavirus business interruption loan of £50,000 or less can apply to have these switched over to this generous new scheme.

The bounce back loan scheme is the latest step in a package of support measures launched by the government, including the small business grants and retail, hospitality and leisure grants, which Lichfield District Council is continuing to distribute. So far it has given almost £16 million to 1,587 district-based businesses.

Councillor Iain Eadie, Cabinet Member for Investment, Economic Growth & Tourism, said: “I would like to pay tribute to our hard working staff who have made sure small businesses have been able to access the government grants they are entitled to as quickly as possible and by promoting all the other support schemes that are available. Lichfield District Council has led the way in Staffordshire on supporting our local businesses. We hope the last few businesses that have yet to get in touch with us to claim their grant will do that.

“The bounce back loans on offer now could give small firms and sole traders access to vital funds, especially where they were not eligible for a grant. Hopefully this will give them access to funds without the previous coronavirus business interruption loan scheme delays, that will help them to meet their ongoing bills and protect jobs.

“We are encouraging local businesses that need access to cash now, to take a look at the terms and make sure a loan is right for them.”

As part of the scheme, small businesses can borrow between £2,000 and £50,000. The government will provide lenders with a 100 percent guarantee and cover the cost of any fees and interest for the

borrower for the first 12 months. No repayments will be due during this period to enable firms to get back on their feet.

The loans are available through a network of lenders, including the five largest banks.

Eligible companies will be subject to standard customer fraud, anti-money laundering and Know Your Customer checks prior to any loan being made. Some State Aid restrictions may apply to applications.

The borrower always remains 100 percent liable for the debt.

To find out more and how to apply, visit www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan.

Ends

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