

British Business Bank

The Coronavirus Large Business Interruption Loan Scheme (CLBILS) Factsheet

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/clbils/>

About the scheme

The Coronavirus Large Business Interruption Loan Scheme (CLBILS) provides finance to mid-sized and larger UK businesses with a group turnover of more than £45m (the upper limit for the existing smaller-business focused CBILS) that are suffering disruption to their cashflow due to lost or deferred revenues during the Covid-19 outbreak.

Following HM Treasury's announcement on 19 May, several changes to the CLBILS scheme have taken effect from 26 May. The maximum amount available through CLBILS to a borrower and its group has now increased from £50m to £200m. Term loans and revolving credit facilities over £50m will be offered by CLBILS lenders which have secured additional accreditation. The maximum size for invoice finance and asset finance facilities remains at £50m¹.

Companies borrowing more than £50m through CLBILS will be subject to further restrictions on dividend payments, senior pay and share buy-backs during the period of the loan. Further information on changes introduced on 26 May, including new provisions on seniority of CLBILS facilities, can be found on the CLBILS pages on the [British Business Bank website](#).

How it works

CLBILS supports a wide range of finance products including; term loans, revolving credit facilities, invoice finance and asset finance facilities.

It is designed to give lenders greater confidence to provide funding by providing a partial guarantee of 80% of the outstanding facility balance.

Note: The guarantee is to the lender, not the borrower. **The borrower always remains 100% liable for the debt.**

Scheme features

- **Up to £200m facilities:** The maximum amount available through CLBILS to a borrower and its group has now increased from £50m to £200m. Term loans and revolving credit facilities over £50m will be offered by CLBILS lenders which have secured additional accreditation. The maximum size for invoice finance and asset finance facilities remains at £50m¹.
- **80% guarantee:** The scheme provides the lender with a government-backed, partial guarantee (80%) against the outstanding facility balance.
- **Finance terms:** Finance terms are from three months to three years.
- **Economic benefits go to the borrower:** Borrowers will benefit from a proportionate reduction in pricing as a result of lenders receiving capital and risk benefits.
- **Personal guarantees:** No personal guarantees are permitted for facilities under £250,000. For facilities of £250,000 and over, claims on personal guarantees cannot exceed 20% of losses after all other recoveries have been applied.
- **The borrower always remains 100% liable for the debt.**

¹Borrowers may be able to access additional facilities from separate accredited lenders provided they do not in aggregate exceed the maximum amount applicable to that borrower. Please note that the additional finance may mean the borrower must abide by the additional restrictions noted above.

Further information on the changes introduced on 26 May, including new provisions on seniority of CLBILS facilities, can be found on the British Business Bank website in the [CLBILS FAQ for businesses](#)

How to apply

1. Find a lender

View and select a [CLBILS accredited lender](#)

2. Approach a lender

You should approach a [lender](#) yourself, ideally via the lender's website.

Not every accredited lender can provide every type of finance available under CLBILS, and the amount of finance offered varies between lenders. Please see the lenders' websites for more information on the amounts they are able to offer.

3. The lender makes a decision

The lender has the authority to decide whether to offer you finance.

No personal guarantees are permitted for facilities under £250,000. For facilities of £250,000 and over, claims on personal guarantees cannot exceed 20% of losses after all other recoveries have been applied.

4. If the lender turns you down

If one lender turns you down, you can still approach other lenders within the scheme.

5. Who is eligible?

- Be UK based in their business activity
- Have an annual turnover of more than £45 million
- Have a borrowing proposal which, were it not for the current pandemic, would be considered viable by the lender, and for which the lender believes the provision of finance will enable the business to trade out of any short-to-medium term difficulty
- Not have received a facility under the Bank of England's Covid Corporate Financing Facility (CCFF), or CBILS, or BBLs.
- Lenders will need further information to confirm eligibility. All lending decisions remain fully delegated to the accredited lenders.

Businesses from any sector can apply, **except** the following:

- Credit institutions (falling within the remit of the Bank Recovery and Resolution Directive), insurers and reinsurers (but not insurance brokers)
- Building Societies
- Public-sector bodies
- State-funded primary and secondary schools

View our [CLBILS frequently asked questions for businesses](#)

What lenders will need from you

When you apply for a business loan, most lenders will ask you for the following:

Details of the loan

- The amount you would like to borrow
- What the money is for – the lender will check that it's for a suitable business purpose and the right type of finance for your needs
- The period over which you will make the repayments – the lender will assess whether the loan is affordable for you

Supporting documents

You will need to provide certain evidence to show that you can afford to repay the loan.

This is likely to include:

- Management accounts
- Cash flow forecast
- Business plan
- Historic accounts
- Details of business assets

The above requirements will vary from lender to lender. If you do not have everything listed here, a CLBILS loan could still be an option to provide finance to support your business.

Note: Lender and Borrower are still free to enter into loan agreements outside of CLBILS e.g. where there is no economic benefit to the borrower of taking out a CLBILS loan over normal commercial lending.

Other business finance support options

You can find details of other government measures to support public services, people and businesses through this disruption on the Government's [Business Support](#) website.

Guidance and support for your business during this period of uncertainty

The British Business Bank and The Institute of Chartered Accountants in England and Wales (ICAEW) have created new content to help businesses that are facing financial and operational challenges as a result of the coronavirus outbreak.

You can view this regularly updated guidance at the [Business Finance Guide](#) website.

LEGAL NOTICE

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