



CBILS FAQs | January 2021

What are the current CBILS deadlines?

The current deadline for applications is 31st March 2021. Lenders then have a maximum of two months to underwrite the proposal and provide a formal acceptance (31st May). Business loans typically need to be drawdown within 1-3 months from the offer date and asset finance / refinance products 3-6 months.

What facilities are available under CBILS?

CBILS is available to support business loans, asset finance, asset refinance / restructuring, invoice finance, property finance and acquisition / Management Buy Out (MBO). A lot of SMEs are unaware that CBILS is available to support expansion and growth, in addition to working capital requirements.

Can I have multiple CBILS facilities?

Businesses can secure multiple CBILS facilities up to a maximum of £5m, subject to individual lender eligibility criteria. Many SMEs have secured a combination of CBILS facilities from different lenders to support their business through 2021 and beyond.

Can I still obtain a CBILS facility if I have been declined by my bank?

Yes, just because you have been declined by your bank does not mean there isn't a lender in the alternative finance marketplace that will support your funding

requirement. There are now over 100 accredited lenders who can offer CBILS facilities.

Can I take a CBILS facility to build up cash reserves and settle it off if I don't need to utilise it?

Yes, many UK SMEs are accessing the CBILS scheme to build up a cash war chest to protect themselves against any unexpected changes in 2021. With many CBILS facilities, there is nothing to pay for 12 months and no penalties for settling the agreement early, therefore the funds could be paid back at month 11 with no cost to the business.

Can CBILS be utilised to support an Acquisition or MBO?

Yes, CBILS funding is available to support acquisition finance or MBOs, whether that be through CBILS asset refinance, invoice finance, business loans or a combination of all facilities.

Can CBILS be used to restructure my existing borrowings?

Yes, many business owners are using the scheme to restructure their existing borrowing structures and benefit from low or no payments for 12 months to reduce their outgoings. Restructuring your current debt profile under CBILS can help safeguard your business in the long term.

Can CBILS be used to invest in new equipment?

CBILS funding is available to support businesses who have been affected by COVID-19, but also those who are now looking to expand and grow. Many asset finance



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lenders have access to the CBILS scheme where the first year's interest and fees are paid by the Government on hire purchase or finance lease agreements. With the Annual Investment Allowance extended to £1m for 2021, it may be the perfect time for some businesses to invest.

Can I have a CBILS facility alongside my invoice finance facility?

Yes, on any CBILS facility up to £250k, the facility is fully unsecured and can sit alongside any invoice finance facility. CBILS lending may be available through invoice finance providers who can provide a CBILS business loan alongside your working capital facility.

Will there be a successor scheme to CBILS?

The British Business Bank has stated that there will be a scheme that replaces CBILS, however it has been indicated that the terms may not be as attractive as the current scheme.

The Coronavirus Business Interruption Loan Scheme (CBILS) is 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 (BEIS). British Business Bank plc is wholly owned by HM Government and is not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). Full details on CBILS and the list of participating CBILS lenders can be found on the British Business Bank website at: www.british-business-bank.co.uk/CBILS