Apply for a Coronavirus Bounce Back Loan

United Kingdom: Department for Business, Energy & Industrial Strategy

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Apply for a coronavirus Bounce Back Loan

The scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover. The maximum loan available is £50,000.

The government guarantees 100% of the loan and there won’t be any fees or interest to pay for the first 12 months. After 12 months the interest rate will be 2.5% a year.

The scheme is open to applications until 31 March 2021.

If you already have a Bounce Back Loan but borrowed less than you were entitled to, you can top up your existing loan to your maximum amount. You must request the top-up by 31 March 2021.

Eligibility

You can apply for a loan if your business:

- is based in the UK
- was established before 1 March 2020
- has been adversely impacted by the coronavirus

If your business was classed as a business in difficulty on 31 December 2019 you’ll need to confirm that you’re complying with additional state aid restrictions.

Who cannot apply

Businesses from any sector can apply, except:

- banks, insurers and reinsurers (but not insurance brokers)
- public-sector bodies
- state-funded primary and secondary schools

If you’re already claiming funding

You cannot apply if you’re already claiming under:

- Coronavirus Business Interruption Loan Scheme (CBILS)
- Coronavirus Large Business Interruption Loan Scheme (CLBILS)
- COVID-19 Corporate Financing Facility

If you’ve already received a loan of up to £50,000 under one of these schemes you can transfer it into the Bounce Back Loan scheme. You have until 31 March 2021 to arrange this with your lender.
How long the loan is for

The length of the loan is 6 years, but you can repay early without paying a fee. No repayments will be due during the first 12 months.

Before your first repayment is due, your lender will contact you about further options to:

- extend the term of your loan to 10 years
- move to interest-only repayments for a period of 6 months (you can use this option up to 3 times)
- pause your repayments for a period of 6 months (you can use this option once)

How to apply

There are 29 lenders participating in the scheme including many of the main retail banks. You should approach a suitable lender yourself via the lender’s website.

The lender will ask you to fill in a short online application form and self-declare that you are eligible.

The lender will decide whether to offer you a loan or another type of finance and you’ll be responsible for repaying 100% of the amount borrowed.

Find a lender

If the lender turns you down

If one lender turns you down, you can apply to other lenders in the scheme.

You may want to consider using a broker to find the right type of finance for your needs, or do your own research using the British Business Bank’s finance guide.

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1. 8 February 2021
   A repayment holiday of up to 6 months is now possible once at any point during the term of a Bounce Back Loan.

2. 18 December 2020
   Application deadline extended to 31 March 2021.

3. 30 November 2020
   29 lenders now participating in scheme.

4. 6 November 2020
New options available to top up existing loans, extend the loan period, make interest-only repayments, or pause repayments.

5. 2 November 2020
   The application deadline has been extended to January 31 2021.

6. 29 October 2020
   The Bounce Back Loan scheme is open to applications until 30 November 2020.

7. 4 May 2020
   Businesses that were undertakings in difficulty on 31 December 2019 can apply.

8. 4 May 2020
   Applications for Bounce Back Loans are now open.

9. 28 April 2020
   Granted-funded further-education establishments can now apply for a Bounce Back Loan.

10. 27 April 2020
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