



COVID LOAN SCHEMES OVERVIEW

This document provides the key details such as loan scheme terms, what funds can and cannot be used for, eligibility and how to apply for:

- Credit Guarantee Scheme (CGS)
- Future Growth Loan Scheme
- SBCI Coiv-19 Working Capital Scheme

While the generalities of each scheme are covered here, businesses should contact their bank to discuss any funding needs.




Due to the many varied scenarios businesses find themselves in, requests are often dealt with on a case by case basis.



Credit Guarantee Scheme (CGS)

What is the scheme for/ not for	<u>For</u> A. Working capital or investment requirements B. Refinance and rollover of debt incurred as a result of Covid-19: e.g. Covid-19 related expenses that were initially funded through short term/temporary facilities such as overdrafts.	<u>Not For</u> A. Refinance of debt incurred pre the Covid-19 pandemic. B. Finance of pure real estate development activity.	
Loan Amount	€10,000 to €1m		
Term of Loan	3 months to 5½ years		
End Date For Applications	31 December 2020 or until fully subscribed		
Drawdown by:	AIB 28 February 2021	BOI 28 February 2021	UB 28 February 2021
Security	AIB Unsecured <€250k Secured amts> €250K To be considered on a case by case basis.	BOI Loans greater than €250k may be secured at the discretion of the Bank	UB Unsecured <€250k Secured amts> €250K To be considered on a case by case basis.
Maximum Borrowing (Cannot exceed €1m) will be determined by one of the following three criteria:	A. Double the borrower's annual wage bill for 2019, or for the last year available. B. 25% of the borrower's total turnover in 2019. C. In limited cases and with appropriate justification, the amount of the loan may be increased to cover the liquidity needs of the borrower from the moment of granting for the coming 18 months for SMEs and for the coming 12 months for Small Mid-Caps.		
Who Can Apply	Viable micro, small and medium-sized enterprises (SMEs), primary producers and small mid-cap enterprises that meet the eligibility criteria and have or expect to have a reduction of minimum 15% in their turnover or profitability as a result of Covid-19. SMEs are defined by the Standard EU definition [Commission Regulation 2003/361/EC] as enterprises that: <ul style="list-style-type: none"> A. have fewer than 250 employees B. have a turnover of €50 million or less (or €43 million or less on their balance sheet) C. are independent and autonomous i.e. not part of a wider group of enterprises D. have less than 25% of their capital held by public bodies E. is established and operating in the Republic of Ireland A small mid-cap is an enterprise that is not an SME but has fewer than 500 employees.		
How to Apply	Complete a number of self-declaration statements which are required to meet the eligibility criteria under the Government rules of the scheme, including: <ul style="list-style-type: none"> Business was viable and not in financial difficulty on 31 December 2019. A. Can return to viability in the future B. Has seen or will see its actual or potential turnover/profit reduced within their business by at least 15% due to the impact of COVID-19 You will need to submit one of the following documents <ol style="list-style-type: none"> 1. 2019 Management Accounts 2. 2019 Certified Accounts 3. 2019 Audited Accounts 		






Credit Guarantee Scheme (CGS)			
Interest Rate	AIB ≤€250k - 2.75% variable >€250k - up to 2.75% variable	BOI Loans up to €250k 2.95% + variable +BCOF Loans greater than €250k. 2.6% +BCOF (currently 2.76% all in)	UB Loans up to €250k 2.95% variable + BCOF Loans greater than €250k 3.95% variable +BCOF
Premium Payment	There is a premium payable to the Department of Business, Enterprise and Innovation as a contribution to the cost of the scheme. This ranges from 0.15% to 1.55% depending on company size and loan term.		
Premium Payment	AIB CGS Loan to an SME customer of €25,000 over 5 years will have a Premium of 0.61% applied. CGS Loan to a Small Mid-Cap customer of €25,000 over 5 years will have a Premium of 1.40% applied.	BOI CGS Loan to an SME customer of €25,000 over 5 years will have a Premium of 0.61% applied. CGS Loan to a Small Mid-Cap customer of €25,000 over 5 years will have a Premium of 1.40% applied. This fee is payable in addition to loan repayments. We will collect it quarterly by direct debit	UB This ranges from 0.15% to 1.55% depending on company size and loan term.
Moratorium/ Deferred Payments	AIB An interest only period or Capital and Interest Moratoria (or combination of both) can be considered for a maximum of 12 month only.	BOI May at their discretion offer interest only/or capital and interest moratoria up to 12 months only. This will only be available in limited circumstances	UB Up to 12 months interest and / or capital moratoria are possible under the Scheme, these remain at the discretion of the participating finance provider.
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Future Growth Loan Scheme (FGLS)			
What is the scheme for/ not for	<u>For</u> Loans can be used for long-term growth and investment. Applicants must choose one of the below loan purposes: A. Investment in machinery or equipment B. Investment in research and development C. Investment in business expansion D. Investment in premises improvement E. Investment in process innovation F. Investment in people and/or systems	<u>Not For</u> A. Finance of specific export operations, or finance contingent upon the use of domestic over imported products. In particular, it should not apply to financing the establishment and operation of a distribution network in other States, or current expenditure linked to the export activity. B. Finance of pure real estate development activity C. Finance of activities constituting pure financial transactions (e.g. purchase of shares) D. Loans to undertakings in difficulty E. Finance of activities forbidden by national or EU law F. Primary Agriculture (see specific FGLS SME Agriculture Customers section) G. Refinance to reschedule existing loan or completed project H. Aid for the acquisition of road freight transport vehicles by undertakings performing road freight transport for hire or reward	
Loan Amount	€25,000 to a maximum of €3,000,000		
Term of Loan	From 7 years to a maximum of 10 years		
End Date For Applications	31 December 2022 or until fully subscribed		
Security	AIB Security is not required for amounts up to €500k. Security for amounts in excess of €500k will be decided on a case by case basis.	BOI Loans unsecured up to €500k Security may be required for amounts above €500k.	UB Loans unsecured up to €500k Security for Amounts in excess of €500k will be at the discretion of the bank.
Who Can Apply	Viable micro, small and medium-sized enterprises (SMEs), primary producers and small mid-cap enterprises that meet the eligibility criteria. SMEs are defined by the Standard EU definition [Commission Regulation 2003/361/EC] as enterprises that: A. have fewer than 250 employees B. have a turnover of €50 million or less (or €43 million or less on their balance sheet) C. are independent and autonomous i.e. not part of a wider group of enterprises D. have less than 25% of their capital held by public bodies E. is established and operating in the Republic of Ireland A small mid-cap is an enterprise that is not an SME but has fewer than 500 employees.		
How to Apply	<p>Step 1 - submit an Eligibility Application Form to the SBCI to check if it is eligible for the scheme. If the SBCI determines that the applicant is eligible, the applicant will be notified in writing and will be supplied with an eligibility code.</p> <p>Step 2 - The applicant must provide this eligibility confirmation letter/code to the relevant financial institution when applying for a loan.</p> <p>Step 3 - The applicant can submit their credit application with the eligible code to the following on-lenders: AIB, Bank of Ireland, Ulster Bank and KBC (existing scheme)</p> <p>For loans of €250,000 or more you must provide a separate Business Plan.</p>		



Future Growth Loan Scheme

<p>Interest Rate</p>	<p>AIB A maximum fixed margin of 4.44% on loans up to and including €249,999.</p> <p>A maximum fixed margin of 3.44% on loans of €250k and above.</p>	<p>BOI Loans up to €250k. 4.02% variable.</p> <p>Loans greater than €250k. BCOF + 2.79% (currently 2.95% all in).</p>	<p>UB: Loans up to €250k 3.95% + BCOF Loans greater than €250k but less than €250k 2.95% +BCOF</p>
<p>Repayments</p>	<p>AIB Interest only repayments are available for up to a maximum of two years at the start of the loan term (subject to credit approval).</p> <p>Repayment structures that have a final bullet repayment are not permitted.</p>	<p>BOI No charges will apply if repaid early.</p>	<p>UB No early redemption charge.</p>
<p>Moratorium/ Deferred Payments</p>	<p>AIB Optional interest-only repayments available in certain circumstances</p>	<p>BOI Option for interest only period, provided at the start of the loan.</p>	<p>UB Option for interest only for 12 months.</p>
<p>Drawdown</p>	<p>AIB 4 drawdown periods once approved and allocated</p> <p>Please confirm with individual bank.</p>	<p>BOI 90 days</p> <p>Please confirm with individual bank.</p>	<p>UB Less than €250k 1 drawdown More than €250k 4 drawdowns. Please confirm with individual bank.</p>
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SBCI Covid-19 Working Capital Scheme			
What is the scheme for/ not for	<u>For</u> A. Future working capital requirements. B. To fund innovation, change or adaptation of the business to mitigate the impact of Covid-19	<u>Not For</u> A. Refinance of undertakings in financial difficulties B. Refinance of existing debt (e.g. term loans/leases/hire purchase etc) C. Finance of pure real estate development activity	
Loan Amount	€25,000 to €1.5m. Loan amount is dependent on the loan purpose		
Term of Loan	From 1 year to 3 years. Length of term is dependent on the loan purpose		
End Date For Applications	31 March 2021 or until fully subscribed		
Security	AIB Unsecured up to €500k Security for amounts in excess of €500k will be decided on a case by case basis.	BOI Unsecured up to €500k Security may be required for amounts above €500k.	UB Unsecured up to €500k In excess of €500k may require cross collateral
Eligibility Criteria	Covid-19 Criterion There will be a reduction in business turnover by a minimum of 15% as a direct result of Covid-19		
How to Apply	The SME/small mid-cap must first complete the Eligibility Application Form to check if they are eligible to apply to the bank(s) for a loan under the scheme. If an SME/small mid-cap is eligible they will receive a letter of confirmation from the SBCI, which they then present to the bank(s), as part of the credit application process.		
Who Can Apply	Viable micro, small and medium-sized enterprises (SMEs), primary producers and small mid-cap enterprises that meet the eligibility criteria and have or expect to have a reduction of minimum 15% in their turnover or profitability as a result of Covid-19. SMEs are defined by the Standard EU definition [Commission Regulation 2003/361/EC] as enterprises that: A. have fewer than 250 employees B. have a turnover of €50 million or less (or €43 million or less on their balance sheet) C. are independent and autonomous i.e. not part of a wider group of enterprises D. have less than 25% of their capital held by public bodies E. is established and operating in the Republic of Ireland A small mid-cap is an enterprise that is not an SME but has fewer than 500 employees.		
How to Apply	Step 1- submit an Eligibility Application Form to the SBCI to check if it is eligible for the scheme. If the SBCI determines that the applicant is eligible, the applicant will be notified in writing and will be supplied with an eligibility code . Step 2 – The applicant must provide this eligibility confirmation letter/code to the relevant financial institution when applying for a loan. Step 3 – The applicant can submit their credit application with the eligible code to the following on-lenders: AIB, Bank of Ireland, Ulster Bank and KBC (existing scheme) Submit a standard business loan application to the Bank and a business plan.		



SBCI Covid-19 Working Capital Scheme			
Interest Rate	AIB Maximum interest rate of 4%, fixed for the term of the loan with no breakage costs.	BOI The interest rate that the Bank will apply to all loans up to €500k is 4%. For loans greater than €500k, the Bank will assess each transaction on its own merits (such assessment to include the availability of existing and/ or additional security which may result in an interest rate marginally below 4%)	UB Maximum interest rate of 4%, fixed for the term of the loan
Deferred Payments	Up to 12 months interest and / or capital moratoria are possible under the Scheme, these remain at the discretion of the participating finance provider.		
Repayment	AIB An interest only repayment option may be available at the start of a loan, subject to normal lending criteria.	BOI Optional interest-only repayments may be provided at the start of the loan Fixed repayment schedule No charges will apply if repaid early	UB Optional interest-only repayments. No early redemption charge.
Period for Drawdown	AIB 120 Days Please confirm with individual bank.	BOI 90 Days Please confirm with individual bank.	UB 90 days Please confirm with individual bank.
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