



COVID-19 Stimulus Package Small Business Loans

What is it?

The government has made it easier to apply for business loans to assist with cashflow.

The government is guaranteeing 50% of loan proceeds made by small and medium lenders for unsecured loans to be used for working capital.

Are you eligible?

To be eligible you will need to satisfy the following:

- Need to be a small or medium sized business with annual turnover under \$50 million.
- Loans will still be subject to lenders credit assessment, with expectation that lenders will look through the cycle to sensibly consider the uncertainty of the current economic conditions.

What does this entitle you to?

Access to bank loans, up to \$250,000 per borrower, to help fund business:

- The loan will be up to three years, with an initial six-month repayment holiday.
- The loan will be unsecured finance, which means that you won't need to provide asset as security.
- The government will encourage lenders to charge interest only on the amount drawn down.

Government is providing exemption from responsible lending obligations for six months and this applies to any credit for business purposes including:

- New credit
- Credit limit increases
- Credit variations and restructures

Note: This will only apply to loans that are predominantly business use

How do I apply?

You will need to contact your bank and check if they are participating in the scheme above.

Please contact your bank directly or speak with a qualified broker to discuss your options.