



More Businesses Eligible for \$5 Million Loan

Did you know your business may now be eligible for a 10 year loan and a repayment holiday option to help recover from the pandemic?

We all know that running a successful business is no easy task – the survival rate pre Covid-19 for small businesses employing 0-19 people was just 59.7%¹. With the additional detrimental impact that the pandemic has placed on businesses, it is no wonder many SMEs have buckled under the stress. But the government is now extending a life line to more eligible businesses with the introduction of the SME Recovery Loan Scheme.

The SME Recovery Loan Scheme^{2,3} provides small and medium-sized businesses with guaranteed loans of up to \$5 million to help their businesses recover from the impacts of the coronavirus crisis.

This boost by the government was originally available to businesses with a turnover of up to \$250 million and who were recipients of the JobKeeper payment between 4 January 2021 and 28 March 2021.

It was then extended at the end of March to also cover SMEs impacted by the devastating floods earlier this year in some areas of NSW and the Queensland border.

Effective from 1 October 2021, the government removed both requirements given the ongoing COVID-19 pandemic and associated lockdowns.

Your business could be eligible

SMEs who are dealing with the economic impacts of the coronavirus with a turnover of less than \$250 million may be able to access loans with participating lenders. Loans are available for up to \$5 million over a term of up to 10 years with 80% guaranteed by the government.

Loans can be unsecured or secured (excluding residential property) and lenders are allowed to offer borrowers a repayment holiday of up to 24 months. The interest rate on loans will be determined by



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lenders but will be capped at around 7.5%. There may be some movement with interest rates on variable rate loans if market interest rates rise over time.

You only have until 31 December 2021 to be approved with participating lenders! Contact us for our guide on how you can use the SME Recovery Loan Scheme to aid your business.

If your business needs a boost, additional capital or a refinance, contact us today. We can help step you through the SME Recovery Loan Scheme eligibility criteria.

Sources

1. [What is the success rate of small businesses in Australia?](#) | Open Colleges
2. <https://business.gov.au/grants-and-programs/SME-Recovery-Loan-Scheme>
3. <https://treasury.gov.au/coronavirus/sme-recovery-loan-scheme/smes>

Remember to contact us to read our topic sheet **'Loan or Lease? Financing Your New Car'**.

