

# COVID-19 SME GUARANTEE SCHEME FOR BUSINESS LOANS



The Federal Government has launched the Coronavirus SME Guarantee Scheme to provide small and medium enterprises (SME) with access to additional funding to help support them through the upcoming months of the pandemic. Under the Scheme, the Government will provide BOQ with a guarantee of 50% of new unsecured loans to be used for working capital. This means facilities can be offered on more favourable terms. The Government has set eligibility criteria for participation in this Scheme.

## What is BOQ offering?\*

- A Business Line of Credit with director guarantees
- Up to \$250,000 limit per business entity ABN (minimum limit of \$20,000)
- Loan term of up to 2 years
- A reduced variable rate of 5.55% p.a. (-2.52% p.a. discount off the base rate)
- No establishment fee or ongoing fees
- Free withdrawals and deposits
- No repayments for the first 6 months (interest capitalised). If the limit is exceeded as a result of interest capitalisation, the excess must be repaid after the initial 6 months
- No P&I repayments required for the loan term
- The facility is repayable on demand and, in any event, at the expiry of the initial term
- Full access to funds via online banking and a business Visa Debit card
- At the end of the loan term we will assess your current situation at that time and discuss the various ways in which the facility might be restructured, subject to relevant credit and other approvals at that time

\*Subject to approval. Lending criteria apply. Loans must be formally approved by 30 September 2020

## Who is eligible?

Small to medium business and not-for-profit organisations who:

- Have expected current or actual previous year annual turnover of <= \$50 million
- Have been carrying on a business, or is a not-for-profit body, in a previous year or current year and have an ABN
- Need support for current and upcoming cash flow needs (including working capital, liquidity and operating expenditure) – this is not for any other purpose e.g. asset purchases of any nature, including property plant and equipment, or refinance of existing borrowing (either external or internal)
- Have not received a Government Scheme loan of \$250,000 through another financier

**Note:** Not all clients will be eligible for this unsecured working capital loan and you should contact your Relationship Manager to understand what other relief options are available.

## What you need to do

- Discuss your lending needs with your Relationship Manager
- Complete a COVID-19 Business Lending Application form