

Bounce Back Loan Scheme (BBLs) Term Loan



We are participating in the Government's Bounce Back Loan Scheme (BBLs) to support small and medium-sized businesses by providing access to a new source of finance during the COVID-19 outbreak.

What is the Bounce Back Loan Scheme?

This Scheme is available for UK companies that have been adversely impacted by the COVID-19 outbreak. The amount that can be borrowed under the Scheme is between £2,000 and £50,000 for a fixed term of 6 years. The maximum you can borrow is up to 25% of your business' turnover in 2019.

Please be aware that this is a government backed guarantee scheme, which may allow you to borrow money during the current crisis. However, your business will always remain responsible for repayment of the whole (i.e. 100%) of the debt.

You can only apply for BBLs term loans from Santander through the website.

You will be required to provide us with key details of your business, including turnover, contact details and the requested facility amount. Once these details have been confirmed, you will need to answer a series of questions in order to self-certify you are eligible for the Scheme.

You will also need to confirm that you are not using the existing Government Coronavirus Business Interruption Loan Scheme (CBILS), Coronavirus Large Business Interruption Loan Scheme (CLBILS) or Covid Corporate Finance Facility (CCFF) Schemes unless the BBLs facility you are applying for will refinance the whole of the Government CBILS, CLBILS or CCFF facility.

What do I need to do to apply?

You will be able to apply for a BBLs term loan online via a straightforward application.

If you are interested in the Scheme, please contact your local Relationship Director or to apply through the Santander website.

What are the key benefits?

- You will not be charged any fees, make any repayments of capital or pay any interest during the first 12 months of the facility.
- The amount of loan capital you repay as part of each loan repayments remains the same for the full term of the loan, unless otherwise agreed, for example where overpayments are made. This means you will know how much of the loan capital balance reduces with each loan repayment.
- As your BBLs interest costs are calculated on a fixed rate, then even if the Bank of England Base Rate increases, your interest payments will not increase allowing you to budget effectively and plan for your business.
- Under the Scheme there are no early repayment charges.

What are the key risks?

- The maximum value of a loan under BBLs is £50,000. You cannot increase your funding amount above this under the Scheme if you decide you would like a higher loan amount.
- If you apply for a BBLs term loan, you cannot access any additional Coronavirus Government Scheme funding (i.e. Coronavirus Business Interruption Loan Scheme (CBILS), Coronavirus Large Business Interruption Loan Scheme (CLBILS)).

APPLICATIONS ARE SUBJECT TO STATUS AND TERMS AND CONDITIONS. THE RIGHT TO DECLINE ANY APPLICATION IS RESERVED.

What are the features of a BBLs term loan?

This is a fixed rate loan repayable over a 6 year term. This loan is available for business customers and must be used for business purposes.

The rate is fixed at 2.5% over a 6 year term.

The BBLs term loan is a straight-line loan repayable over an agreed term, where the repayments of the loan are equally distributed, and a fixed amount of capital is repaid on every repayment date.

How are my payments calculated?

You will not pay any interest or capital for the initial 12 months.

After year 1, your loan repayments will be calculated to ensure they are sufficient to repay your loan over the remainder of the term.

- o The amount of capital you repay as part of each loan repayment is agreed at the start of the loan. This will apply from the start of year 2 and will be the same for the remainder of the loan term.
- o Each repayment will also include an interest payment. The interest cost will vary on each loan repayment date. This is because the interest cost is calculated against the loan balance outstanding, and this balance reduces with each loan capital repayment you make.

Please see below an example of a £50,000 BBLs term loan, paid over a term of 6 years, with an interest rate of 2.5%

Year	Loan balance at start of year (A)	Capital repayment (B)	Customer interest payment (C)	Total customer repayment (B + C)	Loan balance at end of year (A + B)
1	-£50,000.00	£0.00	£0.00	£0.00	-£50,000.00
2	-£50,000.00	£9,999.96	£1,136.03	£11,135.99	-£40,000.04
3	-£40,000.04	£9,999.96	£886.02	£10,885.98	-£30,000.08
4	-£30,000.08	£9,999.96	£637.54	£10,637.50	-£20,000.12
5	-£20,000.12	£9,999.96	£386.02	£10,385.98	-£10,000.16
6	-£10,000.16	£10,000.16	£136.02	£10,136.18	£0.00

What are the consequences if I do not keep up with repayments?

If you miss a BBLs Loan payment we will record the details with a credit reference agency which could damage your credit rating and may make it more difficult for you to obtain credit in the future. Also, failure to make your BBLs Loan payments when they fall due may result in legal proceedings being taken against you by us, which may result in us taking enforcement action against you in order to recover the monies that are owed.

If you have any current or savings accounts with us, we may move funds from those accounts to settle any outstanding payments on your BBLs Loan. Alternatively, we may terminate the BBLs Loan early, meaning you will have to pay the outstanding total amount payable early.

Please contact us if you are having difficulties in making your repayments.

What happens when the term ends?

We will get in touch with you prior to the end of your BBLs term loan to confirm the amount to be repaid and agree next steps.

What should I do if I'm not sure or need advice?

We don't provide any advice about the BBLs term loan scheme or any of our lending products.

If you're in doubt or need guidance, we strongly recommend that you get independent professional advice.

Please visit the British Business Bank (BBB) Website for further information on Government support during this crisis.

We have a range of financing options available which can be tailored to suit the needs of your business. Your Relationship Director will provide you with information about the full range of solutions available through Santander.

Please note: we have provided the information in this document for information purposes only. These materials are the property of Santander UK plc and its affiliates and may not be provided to third parties. Nothing in these materials constitutes investment, legal, tax or accounting advice or constitutes an offer of a loan or any other product with us.

For more information please contact your local Relationship Director or to apply visit:
<https://www.santander.co.uk/coronavirus>