

Businesses that took out government-backed Bounce Back Loans to get through Covid-19 will now have greater flexibility to repay their loans



- ***Bounce Back Loan borrowers will now have the option to tailor repayments according to their individual circumstances***
- ***Chancellor makes support even more generous with the option to delay all repayments for a further six months***
- ***Pay as You Grow will be available to over 1.4 million businesses, which collectively took out nearly £45 billion through the Bounce Back Loan Scheme***

To All our Clients and Friends,

The Chancellor's Pay as You Grow repayment flexibilities now include the option to delay all repayments for a further six months, meaning businesses can choose to make no payments on their loans until 18 months after they originally took them out. The option to pause repayments will now be available to all from their first repayment, rather than after six repayments have been made.

Pay as You Grow will also enable borrowers to extend the length of their loans from six to ten years (reducing monthly repayments by almost half) and make interest-only payments for six months, in order to tailor their repayment schedule to suit their individual circumstances.

These Pay as You Grow options will be available to more than 1.4 million businesses which took out a total of nearly £45 billion through the Bounce Back Loan Scheme. This is in addition to the government covering the costs of interest for the first year of the loan.

From today, lenders will begin reaching out to borrowers to provide information on repayment schedules and how to access flexible repayment options. Lenders will proactively and directly inform their customers of Pay as You Grow, and borrowers should only expect correspondence three months before their first repayments are due.

The Chancellor of the Exchequer, Rishi Sunak, said:

"Businesses are continuing to feel the impact of extended disruption from Covid-19, and we're determined to give them the backing and confidence they need to get through the pandemic. That's why we're giving Bounce Back Loan borrowers breathing space to get back on their feet, through greater flexibility and time to repay their loans on their terms."