

## SME Guarantee Scheme

- The Coronavirus Small and Medium Enterprises (SME) Guarantee Scheme will support up to \$40 billion of lending to SMEs
- Government will guarantee 50% of new loans issued by eligible lenders
- The Scheme will be available for new loans made by participating lenders until 30 September 2020
- Low interest as lower risk



15

## SME Guarantee Scheme

- The Government will provide eligible lenders with a guarantee for loans with the following terms:
  - SMEs, including sole traders, with a turnover of up to \$50 million
  - Maximum total size of loans of \$250,000 per borrower
  - Loans will be up to three years, with an initial six month repayment holiday
  - Unsecured finance, meaning that borrowers will not have to provide an asset as security for the loan



16

## SME Guarantee Scheme

- As part of the loan products available, the Government will encourage lenders to provide facilities that only have to be drawn if needed
- This will mean that interest will only be incurred on the amount drawn down
- If a business does not draw down any funds from the facility, no interest will be charged, but they will retain the flexibility to draw down funds should the need arise



17

## SME Guarantee Scheme

- Products will be available from lenders from April – check with your bank or SME lender
- Treasury is urgently working with banks and other eligible lenders to ensure loans are available as soon as possible

HOW: Talk to the Bank



18