



## BOUNCE BACK LOAN (BBL) AND CORONAVIRUS BUSINESS INTERRUPTION LOAN (CBIL) GUIDANCE KIT

Action	Definition	When Used	Borrower Role	Lender Role	Report to Credit Reference Agencies	Third Party
<b>Pre/post-Arrears</b>						
Pay As You Grow Options	Offers more time and flexibility to borrowers: <ul style="list-style-type: none"> <li>• Term extensions for 10 years.</li> <li>• Interest- only paymnets for six months.</li> <li>• Payment holiday for six months.</li> </ul>	Upto three months prio to repaymnets commencing.	Requests a 'Pay As You Grow' option by self-attesting they are facing repayment difficulties.	Expected but not required, to offer 'Pay As You Grow'. Opted-in lenders send a reminder three, two and one month before the end of the 12-month standard repayment holiday.	Not reported solely as a result of using ' Pay As You Grow' otions.	Not applicable
<b>Arrears and Default</b>						
Forbearance	Forbearance options in line with lenders' usual processes for example: <ul style="list-style-type: none"> <li>• Payment plan to resolve arrears.</li> <li>• More time to seek advice on options.</li> <li>• Waiving interest accrued on loan.</li> </ul>	Where 'Pay As You Grow' is not deemed sufficient or helpful for the borrower, for example for vulnerable borrowers.	Inform the lender they are in financial difficulty.	Contact borrowers who miss payments and offer 'Pay As You Grow' option	Any forbearance options reported	Not applicable

Issue formal demand	A formal demand to borrowers for Repayment of the full outstanding balance.	Where lender judges that 'Pay As You Grow' or forbearance will not help. When payments are at least 90 days overdue or if the borrower has permanently ceased trading or evidence of fraud	Contact the lender to discuss an affordable repayment plan if it anticipates difficulties in full repayment immediately.	Issue the demand and offer an affordable repayment plan. No cross- defaults on other loans unless there is cessation of trading, death, unwillingness to engage.	Missed payments reported	Not applicable
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### Recovery

Pursue borrower for repayment	Contact borrower for repayment, assessing recovery probability, including legal form of borrower, amounting outstanding and potential assets based on existing processes.	After formal demand issued. Suspended where no future repayment is likely or at the end of the recovery process.	Respond to contacts from the lender.	Continue contact with borrower 12 months after issuing the demand. Scheme intent is for no cross default, except some situations.	Missed payments reported	Debt collection agents optional No doorstep visits
Repayment Agreement	Borrowers traced through the recovery process enter into a repayment agreement based on affordability of the debt.	Negotiated during the 12 months from formal demand. No time limit	Offer a declaration for private residence or vehicle against the recovery at their own discretion.	Try to repair a break in a repayment plan at least once.	Missed payments reported	Not applicable
Enforcement	Enforcement action includes petitioning the borrower for insolvency or starting administration proceedings.	Enforcement is not expected unless in the event of serious or organised fraud, or borrower refusing to pay but has assets.	Not applicable	Use their discretion to take enforcement action in extenuating circumstances.	Not applicable	Not applicable

Make a claim on the loan guarantee	A guarantee can be applied to net (post-recovery) loss of principle only; it doesn't cover interest. A lender can claim costs for dealing with debt collection agencies.	No later than 12 months after issuing a formal demand to the borrower unless the borrower repays after the demand issued.	Not applicable	Use Guarantee Agreement for a partial write-off of the loan, once followed all other options above.	Not applicable	Not applicable
Post- guarantee claim	Once a Guarantee Claim has been made, the lender is still obliged to seek further potential recoveries if the recoveries process has not yet been completed and a 12- month period from the date of issue of the formal demand has not passed.		Not applicable	Summarise the amount due to government from any further recoveries after a claim.	Not applicable	Not applicable