



# Small and Medium Enterprise (SME) Recovery Loan Scheme

## Fact Sheet

January 2022

## Supporting SMEs to Recover and Grow

The Australian Government is providing continuing support to Small and Medium Enterprises (SME) through the SME Recovery Loan Scheme. The SME Recovery Loan Scheme enhances lenders' ability to provide cheaper credit, allowing many SMEs to access additional funding or refinance existing loans at a lower interest rate. This funding will sustain SMEs through the pandemic and enable them to recover and invest for the future.

### Eligible Businesses

From 1 January 2022, the SME Recovery Loan Scheme will provide assistance to SMEs with a turnover of up to \$250 million that were adversely economically affected by Covid-19. Both self-employed individuals and non-profit businesses are eligible. Businesses that have accessed loans in Phase 1 and Phase 2 of the SME Guarantee Scheme can also apply for loans under the Scheme, provided they meet eligibility criteria.

### Key Features

- The Government guarantee will be 50% of the loan amount.
- Loans can be used for a broad range of business purposes, including to support investment. Loans may be used to refinance any pre-existing debt of an eligible borrower.
- Borrowers can access up to \$5 million in total.
- Loans are for terms of up to 10 years, with an optional repayment holiday period of up to 24 months.
- Loans can be either unsecured or secured (excluding residential property).
- The interest rate on loans will be determined by lenders, but will be capped at around 7.5 per cent, with some flexibility for interest rates on variable rate loans.

Loans are available until 30 June 2022.

## Accessing a Loan under the Scheme

Loans backed by the Scheme are available through participating bank and non-bank lenders. Applications are assessed in accordance with the lender's policies. To access credit under the Scheme, SMEs are encouraged to compare the products offered by different participating lenders.

## Participating Lenders

The following lenders have been approved to participate in the SME Recovery Loan Scheme.

ANZ

Bank of Queensland

Commonwealth Bank of Australia

- Bankwest

Earlypay

Fifo Capital Australia

Judo Bank

Liberty Finance

Moneytech Finance

Marketlend

National Australia Bank

Regional Australia Bank

Shift (formerly Get Capital)

Social Enterprise Finance Australia

South West Credit Union Co-operative

Suncorp-Metway

The Mutual Bank

TrailBlazer Finance

Unity Bank

Westpac

- BankSA
- Bank of Melbourne
- St George

## More information

More information about the SME Recovery Loan Scheme can be found at:

<https://treasury.gov.au/coronavirus/sme-recovery-loan-scheme>