

Repaying your Bounce Back Loan

You received a payment holiday for the first year of your loan, with the interest being paid for by the Government via a Business Interruption Payment. After the first 12 months, you will need to start making monthly repayments to repay the amount you borrowed, plus interest from the date your repayment holiday ends.

We will send you a repayment schedule outlining your options, around three months before your first payment is due.

Please note you do not need to contact us in advance.

If you no longer need the loan, you can choose to pay it back early. You'll then pay less interest. There are no early repayment charges and you won't pay any interest if you pay the full amount before the end of your initial 12-month repayment holiday.

Or you can make a one-off repayment, as well as additional payments on a regular basis, and doing so will also help save you money on your interest payments.

Your other repayment options

Pay As You Grow

The Government has announced **Pay As You Grow** options for Bounce Back Loan borrowers to help businesses get back to regular trading. **Pay As You Grow** could give you more time and flexibility to pay back your loan.

Pay As You Grow options will be available to you once you start to repay your Bounce Back Loan, from 12 months after it was first approved.

Using these options won't affect your credit score, though it may influence how we assess your creditworthiness in the future and your loan may cost you more overall.

The options available to you when you are due to make your first payment after 12 months are as follows:

1. If you expect to be in a better position to repay in the future:

a) You could reduce your monthly repayments for six months by paying interest only.

- This option is available up to three times during the term of your Bounce Back Loan.

OR:

b) You could take a payment holiday for six months.

- This option is available once during the term of your Bounce Back Loan.

2. If you're only able to repay a smaller amount:

You could request an extension of your loan term from six years to 10 years at the same interest rate of 2.5%.

If you're considering this option you should think carefully about your ability to repay over a longer timeframe, taking into account such things as if you intend to cease trading or retire within the revised term of your Bounce Back Loan.

Please note for all three options that the total amount you owe will go up. This is because your interest costs increase as you're repaying your loan over a longer period.

You can use options 1 and 2 together if you need to.

We're here to help

You do not need to contact us in advance. We will send you a repayment schedule outlining your options, around three months before your first payment is due.

However if you're worried about your finances, please <http://businessfinance.growthco.uk/contact-us/>

Other business finance support options

In addition, the [British Business Bank](#) has a range of guidance and resources available to all businesses, including content on managing your cashflow and a list of independent advice services.

Reminder of your Bounce Back Loan terms and conditions

When you applied for your Bounce Back Loan, you declared that you understood that:

- You are fully liable for all repayments, and if you are unable to meet these obligations, this could negatively affect your credit score.
- The 100% government guarantee is provided to cover any losses the lender makes and does not cover any losses that you might suffer if you are unable to meet your payment obligations.
- We would not carry out any affordability checks on your application.

<http://businessfinance.growthco.uk/funding/bounce-back-loans/>