

# HOW DOES A SMALL BUSINESS APPLY FOR AN EFG-SUPPORTED FACILITY?

It's simple to apply and should take no longer than a standard application.

Any small business interested in EFG should, in the first instance, approach one of the c.40 EFG accredited lenders with their proposal.

If the EFG lender can offer finance on normal commercial terms without the need to make use of EFG, they will do so. Where the small business has a viable proposal but no, or insufficient security, the lender will consider the small business for support via EFG.

Decision-making on whether a small business is eligible for EFG is fully delegated to the c.40 accredited EFG lenders. These lenders range from high-street banks, to challenger banks, asset based lenders and smaller specialist local lenders.

Please note:

- As with any other commercial transaction, the borrower is always responsible for repayment of the full value of any facility supported by EFG
- The guarantee is to the lender and not the small business
- All small businesses supported via EFG are required to pay a 2% annual fee to the government, as a contribution towards the cost of the scheme

1. A business needs funding but does not have sufficient security to secure the required finance.
2. The lender has assessed the business proposition as viable, but the lack of sufficient security means the business cannot meet the lender's normal requirements.
3. The government, operating through the British Business Bank, guarantees 75% of the facility balance to the lender, which may enable a 'no' credit decision to become a 'yes'.
4. The lender, using the Enterprise Finance Guarantee, can now offer the finance facility requested, providing all other lending criteria can be met\*.
5. The business now has the finance it needs to achieve its growth ambitions. It remains liable for paying 100% of the outstanding facility and must pay a 2% annual Guarantee Fee to the government as a contribution towards the cost of the Scheme.

