

## **SME Recovery Pandemic Loan Scheme extended**

### **Background**

The Government's SME Recovery Loan Scheme (the Scheme) is designed to support the economic recovery and provide continued assistance to SMEs dealing with the economic impacts of the coronavirus crisis.

In recognition of the continued economic impacts of the Coronavirus Pandemic, the Government announced on 13 December 2021 that it proposes to amend the Scheme Rules to extend the SME Recovery Loan Scheme (under varied terms) to provide support to SMEs adversely economically affected by the coronavirus pandemic.

Around 24,000 small businesses are expected to take up the government's offer of a 50 per cent secured loan for up to \$5 million as a pandemic scheme is extended to June 2022.

### **Eligible businesses**

The Scheme is open to small and medium sized businesses with up to \$250 million turnover, including self-employed and non-profits. So far, the Scheme has been open to eligible SMEs that were:

- the recipient of a JobKeeper payment between 4 January 2021 and 28 March 2021. Note: a JobKeeper Scheme-Backed Loan can only be approved under this eligibility prior to the Scheme Expansion date (1 October 2021);
- affected by the floods in eligible Local Government Areas in March 2021; or
- adversely economically affected by COVID-19. Note: a Covid Scheme-Backed Loan can be approved under this eligibility from the Scheme Expansion Date (1 October 2021).

Under the existing SME Recovery Loan Scheme, loans are available from 1 April 2021 until 31 December 2021 with a government guarantee of 80 per cent. Under the proposed Scheme extension, loans will be available from 1 January 2022 until 30 June 2022, with a government guarantee of 50 per cent.

### **Applying for a loan**

1. Approach a lender
2. Loans backed by the Scheme will be available through participating commercial lenders. The Government is not directly participating in the lending process.
3. Lender makes a decision  
The decision on whether to extend credit, and management of the loan, will remain with the lender.
4. If a lender declines your application or you are not satisfied with the product offer, you can approach other lenders  
Businesses are encouraged to shop around and compare products offered by different participating lenders.

There are currently [18 approved lenders](#) under the scheme, including the big four banks, as well as smaller banks and fintechs.

The Scheme was extended to support businesses still grappling with the effects of the lockdowns in Victoria and NSW.

### **Important links**

Information for SMEs can be found [here](#).

Frequently Asked Questions for businesses can be found [here](#).

Information in relation to loan security can be found [here](#).

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