

Atom & The Coronavirus Business Interruption Loan Scheme

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At Atom we are committed to helping small and medium businesses through the Coronavirus pandemic. We have joined the Government backed CBILS and are now able to offer secured loans to those businesses who have been impacted by the virus and are looking to borrow between £100,000 and £5m.

These are difficult times, and there are lots of options available for support. This guide will help you determine if a CBILS secured term loan from Atom is the right choice for you.

The information contained in this guide is correct on the date of publication. For the latest information about the scheme and the other support available for business please visit the UK Government's support for business page:

<https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19>

What is CBILS?

The Coronavirus Business Interruption Loan Scheme has been set up to offer viable businesses the option to secure long term finance to help provide immediate cash flow relief to help them survive through the pandemic.

The scheme includes a guarantee to Atom from the government to cover up to 80% of the outstanding principal balance of the loan and this guarantee will be taken into account when pricing the loan.

Please note: The guarantee is in favour of Atom and not the borrower.

The government will also offer a Business Interruption Payment (BIP) to cover the first 12 months of interest payments and any lender-levied fees, such as valuation costs. This means businesses will, if they elect, benefit from no upfront costs and lower initial repayments. As part of any loan offer Atom makes, we will ask you to opt-in to receive the BIP from the scheme. If you do not opt-in to the BIP, you will remain liable for the interest payments for the first 12 months and any lender-levied fees.

Please note: As with any other commercial transaction, the borrower is always responsible for repayment of the full value of any loan facility supported by CBILS. This means the borrower remains liable for the full balance of the loan at all times and will be responsible for making all payments. Should the borrower fail to repay the loan on time, Atom bank will seek to recover 100% of monies owed from the borrower.

Atom bank has joined the scheme and is able to offer CBILS supported loans on eligible applications for our secured term loan product.

Eligibility Check

In order to be eligible for a CBILS backed loan with us, you must meet the following criteria:

- your business is based in the UK
- your business has an annual turnover of up to £45 million
- your business is an SME with fewer than 250 employees
- your business has a borrowing proposal which Atom would consider viable, if not for the coronavirus pandemic
- you can certify that your business has been adversely impacted by coronavirus
- You are able to provide suitable security in line with Atom's commercial lending policy
- Your business must generate more than 50% of its turnover from trading activity.
- Your business must not be subject to any collections or insolvency proceedings

Exceptions

The following businesses are not eligible to apply:

- Banks, building societies, insurers and reinsurers (but not insurance brokers)
- Public-sector bodies

Key Loan Terms

Loan size: £100k to £5m (subject to assessment)

Term: Up to 6 years commitment term

Repayment type: Interest only or capital & interest. Where you elect to take the BIP on a capital & interest loan, we will offer a capital repayment holiday for the first 12 months.

Fees: These will include valuation and legal fees. Where you elect to take the BIP, these will be met by the Government.

LTV: Up to 75% available, subject to lending policy and underwriter assessment

Security: First legal charge over suitable security (land, property). Business guarantees may be required in some circumstances. Personal guarantees may be requested for loans greater than £250k. No personal guarantees for loans under £250,000. Personal guarantees may still be required, at a lender's discretion, for loans above £250,000, but they exclude the Principal Private Residence (PPR) and recoveries under these are capped at a maximum of 20% of the outstanding balance of the CBILS loan after the proceeds of business assets have been applied.

Loan Purpose: The loan can be used for business investment, to refinance existing debt with another lender, and for cash flow purposes.

Maximum facility size: The loan cannot exceed the:

- 25% of the total turnover of the borrower in 2019; OR
- The liquidity needs of the borrower for the next 18 months for SMEs.

Supporting documentation: All applications will be assessed in line with Atom's standard commercial underwriting guidelines. We may ask for additional evidence to demonstrate the annual wage bill and/or total turnover for 2019 as appropriate, in the form of accounts, management information, or other evidence as available.

Atom bank's commercial lending policy applies and in all cases Atom would look to assess the borrower on its financial performance prior to Covid-19 and whether the business remains viable subject to the loan helping with short and medium term cash flow issues.

Want to apply?

If you would like to apply for an Atom bank CBILS loan, in the first instance you should contact your broker who will discuss your business requirements with our Regional Business Development Managers or the Intermediary Support Team to confirm your eligibility. Once we have confirmed you are eligible to apply, we can provide your broker with a quote for the loan.

If you are happy to proceed on the basis of the quote, your broker will guide you through completion of our application forms. You will need to complete the following forms in order to apply for the loan:

- Atom bank application form
- Atom bank CBILS supplementary form (this document)
- Consent to search form for all parties
- Property Schedule (for any investment assets)

We will also ask you to provide the following supporting documents when you apply:

- Latest 2 years complete accounts, including P&L
- Management accounts and trading performance evidence for 2019, including P&L and aged debtors and creditors list
- Evidence of payroll costs or total turnover for 2019
- If available, a copy of your business plan or response to Covid-19.

ANY PROPERTY OR ASSET USED AS SECURITY MAY BE REPOSSESSED OR FORFEITED IF YOU DO NOT KEEP UP REPAYMENTS ON ANY DEBT SECURED ON IT.

Once we have assessed your application we will let your broker know our lending decision. If we are happy to approve the application we will issue an Agreement In Principle (AIP) certificate confirming the anticipated interest rate and payment terms.

We will also issue you with a CBILS scheme letter and the British Business Bank Data Protection and Disclosure Declaration which you must sign and return so that we can provide your details to the British Business Bank and they can use it for the purposes stated in the declaration.

If you are happy to proceed to get a full offer of loan you will need to sign and return the AIP certificate via your broker. We will then value the security offered as part of your application.

Once we have confirmed the security offered is suitable we will issue you with the following:

- **Loan Agreement:** This document provides all the legal terms for your loan, including loan amount, interest rate, conditions to be satisfied for draw down and confirmation of the security you are providing for the loan.
- **CBILS Side letter to the loan agreement:** This will detail the CBILS-specific provisions applying to your loan.
- **Atom bank commercial loan terms and conditions**
- **Business Interruption Payment Offer Letter:** You must sign and return this letter to us if you wish to accept the offer from the government to pay the interest due over the first year of the loan together with certain fees. If you do not return this letter you will be expected to pay the interest and will be liable for any fees incurred for the loan, including valuation fees.

Once we have issued a loan agreement your solicitor will complete the legal work required and send you the funds as quickly as possible.

Not eligible for CBILS?

If you don't meet the eligibility requirements for an Atom bank CBILS loan, you may be eligible for other government backed loan schemes from other lenders. Please speak to your broker about your options.

Get in touch

Atom bank CBILS loans are only available via brokers and you should discuss your options with your broker in the first instance.

Your broker can discuss new cases with our TBDMs on 03333 99 00 60. They are available Monday to Friday, 9am - 5pm.

Alternatively, they can call their Regional Business Development Manager. They'll be happy to assist you both in any way they can.

Atom bank CBILS Supplementary Application Form

Please complete this form when submitting an application for a CBILS backed secured loan with Atom bank. Until this form is provided we will not be able to assess the application.

Broker Name:

Broker Firm:

Broker phone number:

Broker Email:

Business Name:

Primary Contact Name:

Primary Contact telephone number:

Primary Contact Email address:

Role in business:

Loan Size:

Term requested: (years)

Repayment Type:

Capital and interest

Interest only

2019 annual wage costs:

2019 total turnover:

Please tick to confirm that:

Your business has been adversely impacted by Covid-19

Your business is based in the UK

Your business has an annual turnover of up to £45 million

Your business has a borrowing proposal which Atom would consider viable, if not for the coronavirus pandemic

You are able to provide suitable security for a secured loan in line with Atom's commercial lending policy

Your business generates more than 50% of its turnover from trading activity

Your business is not be subject to any collections or insolvency proceedings

Your business was not an undertaking in difficulty on 31 December 2019

Please provide details of how your business has been impacted by Covid-19:

What action have you taken to protect your business as a result of Covid-19:

What do you foresee as the medium and long term impacts on your business:

What will you use the CBILS funding for:

Have you applied for or received any other government support (job retention scheme, grants, business rate relief etc), please provide details:

Business Name:

Signature:

Print Name:

Role in business:

Date:

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Atom & The Coronavirus Business Interruption Loan Scheme

The Coronavirus Business Interruption Loan Scheme (CBILS) is managed by the British Business Bank on behalf of, and with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy (BEIS)

Full details on CBILS and the list of participating CBILS lenders can be found on the British Business Bank website at: www.british-business-bank.co.uk/CBILS

Any queries from a business with an active or historic EFG facility, including guarantee fee collection or alterations to their repayment profile should raise them with their lender, and not with the British Business Bank.