



Every **Australian Business Owner**

Should Be **Calling Their Finance**

Broker Now

As finance brokers, we understand the important role our industry will play in helping Australian businesses bounce back and renew the economy when the time actually comes.

Connecting businesses with appropriate funding has always been our priority regardless of the personal, economic and political environments.

You are probably as sick and tired of hearing the C-19 word as much as we are, however we have our obligation to you to keep you informed of your options as a business owner or employee of one.

The Coronavirus SME Guarantee Scheme could be a lifesaver for some.

The Scheme provides eligible small businesses access to up to \$250,000 in unsecured funding for up to three years, including an initial six month repayment holiday with accrued interest to be amortised over the remainder of the loan.

As the details are unfolding, **lenders say the relationship between business owners and their finance brokers will play a crucial role in getting credit to the businesses that need it quickly and effectively.**

The Scheme evolved at record speed, as have the

rules, regulations, criteria and requirements that underpin it.

Understanding the details and then submitting quality applications under these conditions is no small task.

It takes a team.

As brokers, we can be the link between the lender and applicant (you), streamlining and accelerating the process for you.

Non-bank lenders join the Scheme

The addition of several non-bank lenders as official participants of the SME Guarantee Scheme is a good thing for SMEs.

The Small Business and Family Enterprise Ombudsman Kate Carnell said that as non-bank lenders are accustomed to lending unsecured and acquiring funding for SMEs quickly, she expects credit to flow faster to businesses that need it.

Concerns about the risk-based pricing model of some non-bank lenders have been addressed, with the ombudsman saying she expects rates to reflect the fact that the government is picking up half the risk. The lenders agree rates need to be kept low and are committing to reducing their pricing.



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SMEs around the world

Similar schemes are rolling out around the world, some with more success than others.

In the UK, the Coronavirus Business Interruption Loan Scheme (CBILS) is facing problems processing applications quickly and is facing considerable criticism as a result. This week, the British Chambers of Commerce showed that just 2% of respondents had successfully accessed funding, with many citing confusion around the application process as a concern.

In the US, delays in the launch date and a rush on applications resulting in banks placing limitations on applications has caused a great deal of stress to business owners.

Brokers are helping to ensure loans are processed quickly, with some saying they are expecting 10 times their normal monthly loan volume – possibly more. **Call your broker now.**

Be prepared.

Now is the time to talk to us.

Even if you think your business model is OK, it pays to have a chat and be pro-active with your business cash flow and finance arrangements to survive longer term in this environment.

Lenders have said brokers will be crucial in the rollout of the initiative because:

- of our skills in navigating the lending system with access to a large range of finance options
- we understand the intricacies of the application process
- we know the lenders who will most likely accept your application, and

- we can coordinate the process quickly and effectively.

Our skills and experience will help ensure your funds land where they need to and in a timely manner.

Scheme lending teams are under extraordinary time constraints working with a new set of criteria.

As brokers, we work with business owners, and their accountants if appropriate, to ensure applications are complete, accurate and appropriate. This is the best way to ensure as many businesses as possible have their applications processed as quickly as possible.

Call us, and let's talk about your business – the challenges you face and what you need to succeed through this.

Whether you have acute cash flow issues, or you are expecting a downturn in the future, or even if you simply want to understand your options.

NOW is the time to talk to us, to set a short, medium and longer term plan in place.

As always, with your best business interest in mind...