

## Enterprise Finance Guarantee Factsheet

### **What is it?**

The £1bn Enterprise Finance Guarantee (EFG) Scheme will support up to £1.3bn of new lending by banks to viable SMEs with working capital or investment needs.

### **Who will benefit from the scheme?**

The EFG Scheme is open to businesses with an annual turnover of up to £25m, seeking loans of £1,000 to £1m, repayable over a period of 10 years.

Most businesses in most sectors will be eligible for the scheme. However, state aid rules exclude businesses in the agriculture, coal and steel sectors.

### **What sorts of lending will this cover?**

The guarantee can be used to support new loans, refinance existing loans or to convert part or all of an existing overdraft into a loan to release capacity to meet working capital needs.

### **How much of the loan will Government guarantee?**

Government will guarantee 75 per cent of the loan.

### **How long will the scheme run for?**

EFG will be available from Wednesday 14 January 2009 and will operate until March 2010.

### **Who are the participating lenders?**

Barclays  
Clydesdale / Yorkshire Bank  
HBOS  
HSBC  
Lloyds TSB  
RBS / Natwest  
Northern Bank  
It will become available to other lenders as they apply.