

Small business cash flow loans – Cessation of interest free period

If you received the small business cashflow loan, and your 24 month interest-free period is coming to an end, then you should be receiving a letter from Inland Revenue regarding repayments soon.

Please note these loans are subject to an annual interest rate of 3% from the first day of the third year of the loan.

Those borrowers who have not yet paid off their loans within the 2 year interest free period should receive a letter from Inland Revenue outlining a repayment schedule approximately 1 month before they are due to start making repayments.

If your businesses is still suffering from cashflow issues as a result of Covid-19, Inland Revenue have indicated that provided you contact them before your first repayment is due, you may be able to arrange an alternative repayment plan that better suits your business.

Please be aware that should your loan default before contact is made with Inland Revenue, interest may be applied at a rate of 10%.

It is very important to either set up these monthly repayments based on the letter and schedule received from Inland Revenue **OR** get in touch with Inland Revenue asap to arrange an alternative payment plan.

As always, the team at Chapmans are here to help if you need us.