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**From:** Stephen Jones [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=EE6CC641813B4CABBE6B66E491A46922-STEPHENJONE]  
**Sent:** 29/03/2020 16:26:38  
**To:** Glen, John - HMT [JG@hmtreasury.gov.uk]  
**CC:** Nurse, Gwyneth - HMT [Gwyneth.Nurse@hmtreasury.gov.uk]; David Raw (David.Raw@hmtreasury.gsi.gov.uk) [David.Raw@hmtreasury.gsi.gov.uk]  
**Subject:** 200329 Coronavirus Business Interruption Loan Scheme - Status and solutions  
**Attachments:** 200329Coronavirus Business Interruption Loan Scheme - Status and solutions.docx

John,

As discussed just now this is how I see CBILS at present, together with some of the solutions that can improve delivery. I know your officials have been discussing this with the BBB and may be able to update the thoughts and suggestions in this draft paper which I am now checking with a couple of the larger firm commercial lending heads.

I believe the biggest current issue to be the threshold between what is a viable business with available security such that it is capable of borrowing on arm's length commercial terms and a business that was trading ok pre COVID-19 but does not have sufficient available collateral for an arm's length loan and therefore needs CBILS support. This is creating resentment of the banks – unfairly – and this will impede delivery overall as lenders become increasingly defensive in my view.

If all viable SMEs with adequate collateral to borrow commercially were able to access CBILS (in a quantum that they can afford to repay once the COVID-19 crisis is over – a key assessment that lenders have to make with any potential borrower), government would not be taking significant additional credit risk since it would be extending CBILS to better firms with adequate collateral for normal lending. The cost to government would be one year's interest and fees which would be low in any event because of the 80% guarantee.

Please let me know if you have further thoughts.

I will seek further comments on the attached and revert to you and your officials when complete.

Kind regards,

Stephen

[Stephen Jones](#)

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## SUPPORT FOR CUSTOMERS

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