

## FREQUENTLY ASKED QUESTIONS

1.	<b>What is the purpose of COVID-19 Loan?</b>	<ul style="list-style-type: none"> <li>The COVID-19 Business Loan from Microfinance Ireland is a Government initiative to support microenterprises, through the current period of uncertainty and for small businesses that have been impacted by the coronavirus pandemic in Ireland.</li> </ul>
2.	<b>How much can I borrow from Microfinance Ireland under the COVID-19 Loan?</b>	<ul style="list-style-type: none"> <li>Loans from €5,000 to €25,000 are available to micro-enterprises that meet the eligibility criteria for the COVID-19 Loan.</li> </ul>
3.	<b>Is there specific eligibility criteria for a COVID-19 Loan?</b>	<p>To apply for a COVID-19 Loan, the business must meet the following eligibility criteria:</p> <ol style="list-style-type: none"> <li>The business is a micro-enterprise (see 4 below)</li> <li>The business is unable to get finance from Banks and/or other commercial lending providers</li> <li>The business is negatively impacted by COVID-19 by a minimum of 15% of turnover or profit</li> </ol>
4.	<b>What is a Microenterprise?</b>	<p>A micro-enterprise is any business with:</p> <ol style="list-style-type: none"> <li>fewer than 10 full-time employees</li> <li>less than €2m annual turnover and</li> <li>a Balance Sheet with Net Worth/Capital Account/Equity that does not exceed €2m</li> </ol>
5.	<b>What are the features of the COVID-19 Business Loan?</b>	<ul style="list-style-type: none"> <li>Business Loans from <b>€5,000 to €25,000*</b></li> <li>Six months interest free and repayment free moratorium, with the loan to be repaid over the remaining 30 months of the 36-month loan period.</li> <li>Government rebate for the interest paid on the loan in months 7 -12 of loan)**</li> <li>Loan terms up to a maximum of 3 years***</li> <li>No fees and/or hidden costs</li> <li>Fixed repayments with no penalty for early repayment</li> </ul> <p>* The maximum loan amount is €25,000 for all applicants. Existing MFI customers can apply for up to €25,000 subject to a maximum credit exposure of €50,000.</p> <p>**The Government rebate of 6 months interest will be refunded automatically directly to your bank account in Month 13 of the loan . This interest rebate will only be made once the full 6 repayments including interest have been made in the previous 6 months.</p> <p>*** By exception, capital expenditure may be funded up to 5 years.</p>

6.	<b>What is the Government interest rebate feature of this loan package?</b>	The MFI COVID-19 Loan offers 0% interest and zero repayments for the first 6 months of the loan. In addition the government is also providing a further financial support as part of this loan package by providing a rebate of interest paid in month 7 -12 of the loan, provided the full 6 repayments have been made by the MFI customer, by the end of month 12 of the loan.
7.	<b>How do I claim my interest rebate for my COVID-19 loan?</b>	The good news is you don't have to do anything. The Government rebate of 6 months interest will be refunded automatically directly to your bank account in Month 13 of the loan repayment cycle. This amount will be paid by MFI on behalf of the government once the full 6 repayments including interest have been made in the previous 6 months (Months 7 -12 of the loan).
8.	<b>How do I apply for my interest rebate?</b>	The Government rebate of 6 months interest will be refunded automatically directly to your working bank account by MFI on behalf of the government in Month 13 of the loan repayment cycle.
9.	<b>Am I entitled to an interest rebate if I miss a repayment in months 7 to 12 of my loan?</b>	No unfortunately - to qualify for an interest rebate in Month 13 of the loan repayment cycle, 6 interest payments must have been made in Months 7 – 12 following the first 6 months repayment free period.
10.	<b>Why has the maximum loan amount reduced from €50,000 to €25,000?</b>	The Fund loan size is set by Government and they have determined that for this phase of the fund it is more appropriate for the loan size to reduce.
11.	<b>Is there specific eligibility criteria for a COVID-19 Loan?</b>	To apply for finance up to €25,000 under the COVID-19 Loan Package, the business must provide a declaration to Microfinance Ireland that they meet the following eligibility criteria: <ol style="list-style-type: none"> <li>4. The business is a micro-enterprise</li> <li>5. The business is unable to get finance from Banks and/or other commercial lending providers</li> <li>6. The business is negatively impacted by COVID-19 by a minimum of 15% of turnover or profit</li> </ol>
12.	<b>Do I need a Formal Decline from my Bank before applying to MFI?</b>	<ul style="list-style-type: none"> <li>• MFI is there to support small businesses that are unable to get finance from Banks and other commercial lending providers. While all loan applicants to MFI must be able to demonstrate that they are having difficulties in accessing finance from Banks and/or other lenders, a formal Bank Decline Letter is not required.</li> </ul>
13.	<b>What is the interest rate on COVID-19 business loans?</b>	There are two interest rates applying to MFI's COVID19 Business Loans: <ul style="list-style-type: none"> <li>• Businesses can apply through their Local Enterprise Office and avail of a discounted rate of 4.5% APR or</li> <li>• If they apply to MFI directly, a rate of 5.5% APR applies</li> </ul>

14.	<b>Are there any businesses that are excluded from applying for loan finance?</b>	There are a number of sectors that MFI cannot support including Gambling, Tobacco, Illegal Economic Activity etc.  If you are unsure as to whether or not your business is eligible please send an email to <a href="mailto:info@microfinanceireland.ie">info@microfinanceireland.ie</a>
15.	<b>What happens if I don't meet the eligibility criteria for the COVID-19 Loan?</b>	Microfinance Ireland provide a range of <u>standard loan packages</u> from €2,000 to €25,000 to micro-enterprises who are having difficulty in getting access to finance. Go to <a href="https://microfinanceireland.ie/loan-packages/">https://microfinanceireland.ie/loan-packages/</a> for more information
16.	<b>What is the interest rate on MFI's standard loan packages?</b>	MFI continues to offer its standard loan packages at the same rates as before i.e : <ul style="list-style-type: none"> <li>• Businesses can apply for a standard loan up to €25,000 through their Local Enterprise Office and avail of a discounted rate of 6.8% APR or</li> <li>• If they apply to MFI directly, a rate of 7.8% applies on MFI's standard loan packages</li> </ul>
17.	<b>Why is there a lower interest for the COVID19 Business Loan than MFI's standard loan packages ?</b>	As the COVID19 loan from Microfinance Ireland is a specific government initiative to support businesses during the COVID19 'emergency', the product has been designed to provide as much financial assistance as possible and includes a lower interest rate along with interest free and repayment moratorium for the first 6 months.
18.	<b>If I have an existing MFI loan, can I apply for a COVID-19 Loan for €25,000 now?</b>	Yes - Existing MFI customers can apply for up to €25,000 by way of a COVID-19 Loan provided they meet the specific eligibility criteria for this product and their maximum lending exposure does not exceed €50,000 max. (including the loan now sought)
19.	<b>What documents are needed to apply?</b>	<ol style="list-style-type: none"> <li>1. COVID-19 Application Form*</li> <li>2. COVID 19 Business Plan*</li> <li>3. Cashflow Forecast*</li> <li>4. 6 Months Bank Statements</li> <li>5. Central Credit Register Report (CCR) **</li> </ol> <p>*Templates available on <a href="http://www.microfinanceireland.ie/loan-packages/covid19/">www.microfinanceireland.ie/loan-packages/covid19/</a></p> <p>**For limited companies we require a personal credit report from CCR for all shareholders and / or Directors with a 25% or shareholding in the Company.</p>
20.	<b>How can I apply?</b>	Talk to a Business Advisor in your Local Enterprise Office OR Register on our website at <a href="http://www.microfinanceireland.ie/covid19">www.microfinanceireland.ie/covid19</a>
21.	<b>Can I get help with my application?</b>	The 31 Local Enterprise Offices (LEO) are available to help you if you need help with your application. You can find details of your LEO on <a href="http://www.localenterprise.ie/Find-Your-Local-Enterprise-Office/">www.localenterprise.ie/Find-Your-Local-Enterprise-Office/</a>
22.	<b>Is there any support available for existing</b>	For businesses with an existing loan with Microfinance Ireland and the business is either currently impacted or may be impacted by COVID 19, please contact MFI to discuss your situation.

	<b>MFI customers who already have a loan?</b>	MFI has a number of options available to help you manage your repayments over the next while and get your business back on track.
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