**FREQUENTLY ASKED QUESTIONS**

1. **What is the purpose of COVID-19 Loan?**
   
   The COVID-19 Business Loan from Microfinance Ireland is a Government initiative to support Microenterprises, through the current period of uncertainty and who may be impacted by the coronavirus in Ireland.

2. **How much can I borrow from Microfinance Ireland under the COVID-19 Loan?**
   
   Loans from €5,000 to €50,000 are available to micro-enterprises that meet the eligibility criteria for the COVID-19 Loan.

3. **Who can apply?**
   
   - Any microenterprise (Sole Trader, Partnership or Limited Company) who is currently trading and
   - Not in a position to avail of Bank finance and
   - Is experiencing a COVID-19 negative impact on their business (the negative impact must be a minimum of 15% of actual or projected in turnover or profit)

4. **What is a Microenterprise?**
   
   A micro-enterprise is any business with:
   1. fewer than 10 full-time employees
   2. less than €2m annual turnover and
   3. a Balance Sheet with Net Worth/Capital Account/Equity that does not exceed €2m

5. **Is there specific eligibility criteria for a COVID-19 Loan?**
   
   To apply for finance up to €50,000 under the COVID-19 Loan Package, the business must provide a declaration to Microfinance Ireland that they meet the following eligibility criteria:
   1. The business is a micro-enterprise
   2. The business is having difficulty in accessing finance from Banks and/or other commercial lending providers
   3. A minimum of 15% of actual or projected turnover or profit in the business is negatively impacted by COVID-19

6. **What are the features of the COVID-19 Business Loan?**
   
   - Business Loans from €5,000 to €50,000
   - Loans may be used for working capital and required business changes as a result of COVID 19
   - Loan terms up to a maximum of 3 years
   - 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.
   - No fees and/or hidden costs with fixed repayments with no penalty for early repayment
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| 7. | **What is the interest rate on COVID-19 business loans?** | There are two interest rates applying to MFI’s COVID19 Business Loans:  
- Businesses can apply through their Local Enterprise Office and avail of a discounted rate of 4.5% APR or  
- If they apply to MFI directly, a rate of 5.5% applies |
| 8. | **Are there any types of businesses that are excluded from applying for finance?** | 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 info@microfinanceireland.ie |
| 9. | **What happens if I don’t meet the eligibility criteria for the COVID-19 Loan?** | Microfinance Ireland provide a range of standard loan packages from €2,000 to €25,000 to micro-enterprises who are having difficulty in getting access to finance. Go to https://microfinanceireland.ie/loan-packages/ for more information |
| 10. | **What is the interest rate on MFI’s standard loan packages?** | MFI continues to offer its standard loan packages at the same rates as heretofore i.e.:  
- 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  
- If they apply to MFI directly, a rate of 7.8% applies on MFI’s standard loan packages |
| 11. | **Why is there a lower interest for the COVID19 Business Loan than MFI’s standard loan packages?** | 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. |
| 12. | **What documents are needed to apply?** | 1. COVID-19 Application Form*  
2. COVID 19 Business Plan*  
3. Cashflow Forecast*  
4. 6 Months Bank Statements  
5. Central Credit Register Report (CCR) **  
In addition, for loans >€25,000  
Aged lists of Trade Debtors and Trade Creditors and Preferential Creditors  

*Templates available on www.microfinanceireland.ie/loan-packages/covid19/  

**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. |
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<td><strong>13.</strong></td>
<td>How can I apply?</td>
<td>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></td>
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<td><strong>14.</strong></td>
<td>Can I get help with my application?</td>
<td>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></td>
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<td><strong>15.</strong></td>
<td>Is there any support available for existing MFI customers who already have a loan?</td>
<td>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. MFI has a number of options available to help you manage your repayments over the next while and get your business back on track.</td>
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