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Factsheet for case **IE-2020-14/791**

Microfinance Ireland COVID-19 Business Loan

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Country	Ireland, applies nationwide
Time period	Open ended, started on 01 April 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Access to finance
Case created	26 April 2020

Background Information

The COVID-19 Business Loan from Microfinance Ireland is a government initiative to support microenterprises, through the current period of uncertainty, who are or may be impacted by the coronavirus in Ireland.

If the business is impacted or may be impacted by COVID-19 resulting in a reduction of 15% or more in actual or projected turnover or profit and there is difficulty in accessing finance from commercial lending providers, the MFI COVID-19 Business Loan is available.

Content of measure

Who can apply?

Any microenterprise (Sole Trader, Partnership or Limited Company) who is currently trading 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).

What is a microenterprise?

A micro-enterprise is a business with:

fewer than 10 full-time employees

less than €2m annual turnover and

a Balance Sheet with Net Worth/Capital Account/Equity that does not exceed €2m.

What are the eligibility criteria?

In order to apply for finance up to €50,000, the business must provide a declaration to Microfinance Ireland that they meet the following eligibility criteria:

A minimum of 15% of actual or projected turnover or profit in the business is negatively impacted by COVID-19

The business is a micro-enterprise

The business is having difficulty in accessing finance from Banks and/or other commercial lending providers.

What are the loan features?

Business Loans up to €50,000 for eligible micro-enterprises (Businesses with less than 10 employees and up to €2m annual turnover) that are currently trading

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 then be repaid over the remaining 30 months of the 36-month loan period

Interest rate of 4.5% if submitted through Local Enterprise Office and 5.5% if you apply to Microfinance Ireland directly

No fees and/or hidden costs with fixed repayments with no penalty for early repayment

Use of measure

No information

Actors, target groups and funding

Actors	Target groups	Funding
National government	One person or microenterprises	National funds

Social partners

Role of social partners	No involvement
Form of involvement	No involvement

No involvement

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 26 April 2020: gov.ie (dbei.gov.ie)