

## TEMPORARY BRIDGING LOAN PROGRAMME (TBLP)

### Frequently Asked Questions

**1. *What is the objective of the TBLP? What are the key scheme parameters?***

The TBLP was introduced to help the enterprises access working capital.

As announced in the Solidarity Budget on 6 Apr 2020, the Government will enhance the TBLP further with 90% risk share. The enhancement will apply to new applications initiated from 8 April 2020 until 31 March 2021. For applications that are pending approval from PFIs, enterprises are advised to speak to their PFIs on their eligibility.

Enterprises under this scheme may apply for up to 1 year deferral of principal repayment to help them reduce their monthly cash outflow, subject to PFIs' assessment.

**2. *Can enterprises apply for the TBLP multiple times with different PFIs?***

Yes, enterprises can approach different PFIs to apply. However, the total aggregate amount borrowed under the scheme from different PFIs is capped at the maximum amount of S\$5 million.

**3. *What is the difference between the TBLP and the Enhanced Enterprise Financing Scheme - SME Working Capital Loan (Enhanced EFS-WCL)?***

TBLP was introduced in response to the COVID-19 outbreak, to help enterprises manage their immediate cash flow needs. Eligible enterprises can borrow up to S\$5 million, with interest rate capped at 5% per annum.

SMEs that require help beyond the TBLP can also tap on the Enhanced EFS-WCL, which has been further enhanced to support loans of up to S\$1 million. Interest rates are not subject to a cap.

**4. *Besides TBLP, can companies apply for the Enhanced EFS-WCL, Enhanced Enterprise Financing Scheme Trade Loan (Enhanced EFS-TL) and other EFS loans at the same time?***

Enterprises can apply for all 3 schemes if they meet the criteria for each scheme, subject to assessment by PFIs.

**5. *PFIs are not willing to approve my company's loan application even though it is eligible for the TBLP. What can I do?***

All eligible enterprises applying for the TBLP are subject to assessment by PFIs.

Enterprises which require further support may approach Enterprise Singapore at (65) 6898 1800 or [enquiry@enterprisesg.gov.sg](mailto:enquiry@enterprisesg.gov.sg) for assistance.

**6. Since Enterprise Singapore provides 90% risk shares on the loan, does it mean that the borrower/guarantors are only responsible for the remaining percentage of the loan?**

No. The borrower and guarantors are responsible to repay 100% of the loan amount. When defaults occur, PFIs are obligated to follow their standard commercial recovery procedure, including the realisation of security, before they can make a claim against Enterprise Singapore for the unrecovered amount in proportion to risk-share.

**7. Why do banks require a 100% Personal Guarantee (PG) when the government covers 90% of the loan amount?**

A PG is not only a means of security but signals a commitment by the guarantor(s) that they are committed to the loan obligation.

**8. How does the proposed law under the “Covid-19 (Temporary Measures) Bill” allow me to defer my principal or interest payments as well?**

The Ministry of Law (“MinLaw”) has introduced the COVID-19 (Temporary Measures) Bill which seeks to offer temporary relief to businesses and individuals who are unable to fulfil their contractual obligations because of COVID-19. It covers relevant contractual obligations for contracts that were entered into or renewed before 25 March 2020, and will be in place for a prescribed 6 months.

SMEs seeking the protection of the proposed bill should note that while banks may not commence legal action for a default on a loan during the prescribed six-month period, they are still able to charge fees and interest for non-payment or late payment of loan obligations.

SMEs facing cash flow difficulties should actively engage their lenders to understand the relief options available to them.