WQ.76/2025

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 24th FEBRUARY 2025
ANSWER TO BE TABLED ON MONDAY 3rd MARCH 2025**

Question

"Further to R.15/2025 and the three confirmed defaults relating to the Disruption Loan Guarantee Scheme (Covid), will the Minister state –

(a) the names of the companies involved;
(b) whether the companies are still operating;
(c) the reasons for the defaults; and
(d) what measures have been taken, if any, to recover the defaulted loans and when these measures were taken?"

Answer

(a), (b), and (c)
I do not feel it is appropriate to publicly disclose information on the specific arrangements of individual companies but in any event government's relationship was with the lending bank and not the underlying borrower. I understand, however, that none of the relevant companies are still operating. We have been advised by the banks that there were several contributing factors for the loan defaults.

Further detail on the scheme can be found in R.15/2025.

(d)
As with the previous answer, I do not feel it appropriate to provide detail on specific measures and dates of any action taken by the banks.

The general approach under this scheme to managing and collecting loans and the role of underlying banks in that process is provided below.

Under the scheme, the Government issued guarantees to lenders covering 80% of any defaults, with the lenders being responsible for managing the collection of the loans.

The scheme places reliance on the underlying banks to complete their usual credit recovery steps and only pays out once banks have taken all reasonable steps in accordance with its Recovery Process, including to realise any other Collateral provided in respect of the Scheme Facility.

The banks' approaches ranged from engagement with borrowers about repayment options through to pursuit of recovery processes. The terms of the scheme require lenders to submit a written declaration of compliance with all terms of the guarantee, including completion of their ordinary credit recovery actions.