

# Government of Canada Financing Programs



Canada Emergency Business Account (CEBA)	
General Overview:	<b>A \$55 million Government of Canada program implemented by eligible financial institutions to provide credit facilities (up to \$40,000) to existing small business clients eligible for the program (Qualifying Borrowers) for the purposes of funding their non-deferrable operating expenses.</b>
Credit Facility Terms:	<ul style="list-style-type: none"> <li>– Revolving credit facility (line of credit, credit card or other revolving credit facility) or non-revolving term credit facility established and fully committed on or prior to June 30, 2020 (date may be extended)</li> <li>– Maximum principal amount of \$40,000</li> <li>– Automatic cancellation of undrawn availability of revolving credit facility or delayed draw term facility and conversion or continuation, as applicable, of any outstanding principal amounts under a credit facility into a two year term facility on December 31, 2020 with a maturity date of December 31, 2022, with right of Qualifying Borrower to extend for an additional three year term to December 31, 2025</li> <li>– Prior to December 31, 2022, interest rate is 0 per cent per annum and following December 31, 2022, interest rate is 5 per cent per annum</li> <li>– No fees are payable</li> <li>– No requirement for amortization or scheduled payments of principal prior to the maturity date</li> <li>– 25 per cent forgiveness of loan (up to \$10,000) if credit facility is repaid in full (net of the repayment incentive) on or prior to December 31, 2022</li> <li>– Cross default to any other loans by financial institution to Qualifying Borrower</li> <li>– No guarantees or security</li> <li>– Purpose of credit facility is to fund non-deferrable operating expenses including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and may not be used to fund any payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation</li> </ul>
Eligibility Criteria of Qualifying Borrower:	<ul style="list-style-type: none"> <li>– Existing borrowing or non-borrowing client of financial institution on or prior to March 1, 2020, with existing business chequing/operating account not in arrears by 90 days or more as at March 1, 2020</li> <li>– Is not a union, charitable, religious or fraternal organization or entity owned by such an organization or if it is, it is a registered organization that has filed its T2 return or T3010 return and that generates a portion of its revenue from the sales of goods or services</li> <li>– Has a Federal tax registration</li> <li>– Has a Canada Revenue Agency Business Number (BN) (15 digits), as reported at the top of its 2019 T4 Summary of Remuneration Paid (T4SUM)</li> <li>– Has a total employment income paid in the 2019 calendar year between C\$20,000 and C\$1.5 million, as being the sum of all employment income paid reported in box 14 of its 2019 T4SUM statement and all employment income reported in box 71 of T4 statements issued to all of its employees for 2019</li> <li>– Has not previously used CEBA and will not apply for support under CEBA with multiple financial institutions</li> </ul>
Excluded Business Clients:	<ul style="list-style-type: none"> <li>– Government organizations or bodies, or entities owned by a government organization or body</li> <li>– Persons owned by any Federal Member of Parliament or Senator</li> <li>– Persons that promote violence, incite hatred or discriminate on the basis of sex, gender identity or expression, sexual orientation, colour, race, ethnic or national origin, religion, age or mental or physical disability, contrary to applicable laws</li> </ul>
Application Process:	<ul style="list-style-type: none"> <li>– Applicant applies with applicable financial institution and completes CEBA loan documentation required by financial institution (including completion of an attestation as to the eligibility criteria described herein)</li> <li>– Information attested to in the attestation is subject to audit by Government of Canada or any agent thereof</li> </ul>