

The Government of Canada recently announced that it will be providing the Canada Emergency Business Account to support Canadian businesses that have been adversely affected by COVID-19. Eligible businesses will receive a \$40,000 loan for immediate financial support to cover short term operating expenses, payroll and other non-deferrable expenses which are critical to sustain business continuity.

What is the CEBA Program

- Up to \$40,000 interest-free loan to help you cover operating costs you were not able to defer because of COVID-19.
- 25% (up to \$10,000) of the loan proceeds is eligible for complete forgiveness if loan is repaid on or before December 31, 2022.
- If the loan cannot be repaid by December 31, 2022 it can be converted into a 3-year loan with a fixed interest rate of 5% per annum.

How does the CEBA loan work?

- The loan will be funded as a term loan (up to \$40,000), 0% interest and no payments until December 31, 2022.
- No interest will apply until January 1, 2023.
- Beginning January 1, 2023, interest accrues on the balance of the term loan at a fixed rate of 5% per annum, payable monthly on the last day of the month.
- If you pay 75% of the balance of the term loan on or before December 31, 2022, the remaining balance of your term loan will be forgiven. For example, if your balance is \$40,000 on January 1, 2021 and you repay \$30,000 on or before December 31, 2022, the remaining \$10,000 will be forgiven.
- If you do not repay the 75% of the balance of the term loan on or before December 31, 2022, the full loan balance and all accrued and unpaid interest will be due and payable on December 31, 2025.

What's the eligibility criteria?

As set out by the Government of Canada, your business is eligible if it:

- Is a Canadian operating business in operation as of March 1, 2020
- Has a banking or borrowing relationship with the credit union as at March 1, 2020, and the credit union is your primary financial institution;
- Has a business chequing/operating account with the credit union, which was opened on or before March 1, 2020 and is in good standing;
- Does not have any loans with the credit union in arrears by 90 days or more as at March 1, 2020;
- Has a Canada Revenue Agency Business Number, and has filed tax return(s) with Canada Revenue Agency for 2019 and/or 2018;
- Has not previously received CEBA through the credit union or any other financial institution;
- Is not a non-profit organization, charity, union, or a fraternal benefit society, unless your organization earns revenue from regularly supplying property, goods and/or services; and
- Intends to continue operating or to resume operations.
- Has payroll of between \$20,000 and \$1,500,000 for the 2019 calendar year

CEBA criteria has now been expanded to include the following;

- Has eligible non-deferrable expenses in the 2020 calendar year between \$40,000 and \$1,500,000.

- Total employment income paid to employees in 2019 was Cdn \$20,000 or less or if the Borrower declares no employment income was paid in 2019.

Please note: If you cannot locate your T4SUM contact Revenue Canada to have them re-issue your 2019 statement.

If you have further questions, please connect with your Commercial Lending Representative directly.

Note: Please be advised that by clicking on the link below you will be taken to an external site.

Online Application – Apply Now

<https://ceba.concentra.ca/?institutionNumber=83913>