



PROVIDES RELIEF TO CANADIANS DURING COVID-19

The Government of Canada has introduced the Business Credit Availability Program (BCAP) to help Canadian businesses obtain financing during the current period of significant uncertainty.

BCAP will support access to financing for Canadian businesses in all sectors and regions. Through this program, [Export Development Canada \(EDC\)](#) and the [Business Development Bank of Canada \(BDC\)](#) will provide \$65 billion in direct lending and other types of financial support.

For additional information on any of the BCAP programs or to apply, Businesses should contact their primary lender, where they have a pre-existing relationship. Businesses that are impacted can contact them by phone or email to find out about their application process.

BCAP includes the following programs:

The Canada Emergency Business Account (CEBA)

CEBA provides much needed credit for small businesses to pay for immediate operating costs such as payroll, rent, utilities, insurance, property tax, or debt service. It is 100 per cent funded by the Government of Canada.

- It is available to Canadian employers with \$20,000 to \$1.5 million in total payroll in 2019, and operating as of March 1, 2020. This includes smaller (i.e., micro) businesses and other eligible employers such as not-for-profits.
- Under CEBA, financial institutions will be able to provide interest-free credit facilities of up to \$40,000 to eligible businesses.
- If the loan is repaid by December 31, 2022, 25 per cent (up to \$10,000) will be forgiven.
- If the loan is not repaid by December 31, 2022, the remaining balance will be converted to a three-year term loan at 5 per cent interest.

This program is now available at various financial institutions and credit unions.

EDC LOAN GUARANTEE FOR SMALL & MEDIUM ENTERPRISES

This program provides credit and cash flow term loans to small and medium-sized enterprises. Canadian businesses in all sectors that were otherwise financially viable and revenue generating prior to the COVID-19 outbreak are eligible to apply.

It allows financial institutions to issue operating credit and cash flow term loans of up to \$6.25 million to existing clients, with 80 per cent guaranteed by EDC.

This money is to be used for operational expenses, not for dividend payouts, shareholder loans, bonuses, stock buyback, option issuance, increases to executive compensation or repayment/refinancing of other debt.

This program is now available at various financial institutions and credit unions.



BDC CO-LENDING PROGRAM FOR SMALL & MEDIUM ENTERPRISES

This program provides term loans for operational and liquidity needs of businesses, which could include interest payments on existing debt. Similar to the EDC program, this program is available to businesses that were financially viable and revenue-generating prior to the COVID-19 outbreak.

The program is designed in three segments to target support to different business sizes.

- Loans of up to \$312,500 to businesses with revenues of less than \$1 million.
- Up to \$3.125 million for businesses with revenues between \$1 million and \$50 million.
- Up to \$6.25 million for businesses with revenues in excess of \$50 million.

Loans would be interest-only for the first 12 months, with a 10-year repayment period.

Applications details will be made available in the days to come by financial institutions.

ROLE & DESCRIPTION OF BDC AND EDC

As part of BCAP, the Business Development Bank of Canada (BDC) and Export Development Canada (EDC), both financial Crown corporations, are working closely with private sector lenders to improve access to financing for Canadian businesses.

BDC helps create and develop strong Canadian businesses through financing, advisory services and capital, with a focus on small and medium-sized enterprises.

More information on the BDC's products and services

EDC is Canada's export credit agency, offering innovative financing, insurance and risk management solutions to help Canadian exporters and investors expand their international business.

More information on EDC's products and services

Participating private sector lenders have committed to:

- Working with BDC/EDC to find solutions for creditworthy business clients who would otherwise have insufficient access to credit.
- Ensuring that the extension of credit by BDC/EDC is incremental for Canadian businesses and does not displace or substitute for private credit in aggregate.



BUSINESS CREDIT AVAILABILITY PROGRAM (BCAP)

PROVIDES RELIEF TO CANADIANS DURING COVID-19

Reporting and Governance

BCAP is steered by an oversight group of representatives of the Department of Finance, EDC, BDC, and Canadian financial institutions. The steering group meets regularly to share information and search for more effective ways to collaborate in order to maximize the initiative's positive impact on businesses and the economy.

The Government will monitor the program with participating lenders to ensure it is meeting its objectives.

For More Information

If you are interested in exploring financing opportunities for your business through the BCAP, **please contact your primary lender by phone or email.**

BDC and EDC can also be contacted at:

Business Development Bank of Canada

Telephone: (877) 232-2269

Email: info@bdc.ca

Export Development Canada

Telephone: (800) 229-0575

Email: bcap@edc.ca

This information update on CEWS was published on April 16, 2020.

For more info, visit our dedicated hospitality industry website
www.covidinhospitality.com