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A CORONAVIRUS *Survival Guide* FOR MANITOBA BUSINESS

BUSINESS CREDIT AVAILABILITY PROGRAM (BCAP) REFERENCE GUIDE

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BUSINESS CREDIT AVAILABILITY PROGRAM

REFERENCE GUIDE



The Government of Canada has established the **Business Credit Availability Program (BCAP)** to help Canadian businesses obtain financing during the current period of significant uncertainty. The 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 at market rates to businesses with viable business models whose access to financing would otherwise be restricted including:

- **Loan Guarantees for Small and Medium-Sized Enterprises:** EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs.
- **Co-Lending Programs for Small and Medium-Sized Enterprises:** BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements. Eligible businesses may obtain incremental credit amounts of up to \$12.5 million through the program.

This financing support is to be used for operational expenses and is available to both exporting and non-exporting companies.

The Business Credit Availability Program includes:

- **CEBA (Canada Emergency Business Account)**
 - Application Deadline - June 30, 2021
 - Amount Available - Up to \$60,000
 - Who Can Apply - Businesses impacted by COVID-19
 - How to Apply - Through your business banking institution

Program Details: CEBA is an interest-free loan of up to \$40,000. If you repay the balance of the loan on or before December 31, 2022, 25% of the loan will be forgivable (up to \$10,000).

CEBA Expansion: Is an additional interest-free loan of up to \$20,000 for businesses who already qualified for the CEBA loan. If repaid by the deadline, up to \$10,000 will be forgivable.

You can visit the [CEBA](#) site to use the [CEBA Eligibility Tool](#), or visit the Canada Emergency Business Account section on www.manitobabusinessmatters.ca.

- **BDC Co-Lending Program for small and medium-sized enterprises**
 - Application Deadline - June 30, 2021
 - Amount Available - Between \$1 million and \$12.5 million
 - Who Can Apply - Businesses who were directly or indirectly impacted by COVID-19
 - How to Apply - Through your business banking institution

Program Details: The co-lending program provides additional liquidity support to Canadian businesses. Eligible businesses may obtain incremental credit amounts up to \$6.25 million, 80% of which would be provided by BDC, with the remaining 20% coming from a financial institution.

Eligibility: Your business was directly or indirectly impacted by COVID-19. Prior to the pandemic, your business was financially viable and the financing will be used solely to support operational cash flow requirements, including regularly scheduled debt servicing.

Your financial institution may have further eligibility criteria

Principal payments can be postponed for up to 12 months

For more information on the BDC Co-Lending Program, [click here](#).

BUSINESS CREDIT AVAILABILITY PROGRAM

REFERENCE GUIDE



Flexible terms span four years, after which principal is to be repaid as a balloon payment. Interest payments for the first 12 months will be capitalized and due at maturity.

For more information on the Mid-Market Financing Program, [click here](#).

- **AccordExpress**

- Application Deadline - June 30, 2021
- Amount Available - Between \$20,000 and \$250,000
- Who Can Apply - Small Businesses only
- How to Apply - Through Accord Financial

Program Details: AccordExpress provides loans between \$20,000 and \$250,000 to small businesses who have been negatively impacted by COVID-19. Funding is available in as little as 3 business days.

Eligibility: The business must have been in business and registered/incorporated for at least 12 months and have a business-only bank account.

The business and each shareholder must have an average or better credit profile, and will provide personal guarantees.

Each shareholder has a unique e-mail address and cell phone number (for e-signature of documents).

NOTE: Accord has developed the AccordExpress program specifically for small business to obtain funds in as little as 3 business days; subject to the volume of applications received. Businesses requiring amounts greater than \$250,000 (up to \$6.25 million) or which have complex structures should apply under the Accord standard BCAP program.

Attractive terms: 36 or 48 month term loans available.

Interest-only payments during the first 6 months. The first 6 months' interest payments will be deducted from your loan advance. Blended payments of interest and principal start in month 7, minimizing the cash-flow impact on your business.

Loans can be repaid at any time within your term loan without penalty.

All shareholders (owners) must personally guarantee all loans and sign application forms.

- Loans can be used for:
 - Rent
 - Inventory Purchases
 - Working capital to bridge the gap between invoicing and payment
 - Scheduled debt servicing payments
 - Operating expenses
 - Purchase of capital assets required to adjust to operating during COVID-19

For more information, and instructions on how to apply with AccordExpress, [click here](#).

BUSINESS CREDIT AVAILABILITY PROGRAM

REFERENCE GUIDE



- **EDC Loan Guarantee for small and medium-sized enterprises**
 - Application Deadline - June 30, 2021
 - Amount Available - Determined by your financial institution
 - Who Can Apply - Businesses who need working capital to cover operational costs due to COVID-19
 - How to Apply - Through your business banking institution

Program Details: Through the loan guarantee program, EDC will guarantee 80% of new operating credit and cash flow term loans that financial institutions extend to SMEs, up to \$6.25million. The program cap for this new loan program will be a total of \$20 billion for the export sector and domestic companies.

Eligibility: You do not need to export to access this program.

There will be additional eligibility requirements through your financial institution.

- The following are not eligible:
 - Government organizations and bodies
 - Non-profit organizations, charities, unions, fraternal benefit societies or orders
 - Entities owned by a Federal member of Parliament or Senator
 - Entities that promote violence, incite hatred or discriminate on the basis of sex, gender identity/expression, sexual orientation, colour, race, ethnic or national origin, religion, age or mental or physical disability.

The loan must be used to finance business operating costs and cannot be used to repay or refinance existing debt.

Additional restrictions may be applicable for oil and gas companies.

The guarantee is for new operating lines of credit or new term loan.

The size of the loan or line of credit is determined by your financial institution.

EDC provides a guarantee for the majority of the money borrowed.

For more information on the EDC Loan Guarantee, [click here](#).

- **BDC Mid-Market Financing Program**
 - Application Deadline - June 30, 2021
 - Amount Available - Between \$12.5 million and \$60 million
 - Who Can Apply - Medium-sized businesses impacted by COVID-19 and/or the decline in oil and gas prices
 - How to Apply - Through your business banking institution

Program Details: The Mid-Market Financing Program provides loans between \$12.5 million and \$60 million for medium-sized businesses impacted by COVID-19 and/or the recent decline in oil and gas prices.

Eligibility: Your business must have been financially viable before the pandemic and directly or indirectly impacted by COVID-19 and/or the decline in oil and gas prices.

Your business needs more credit than is available through the Co-Lending program or other programs.

Loans between \$12.5 million and \$60 million are provided jointly by BDC and your financial institution.

BUSINESS CREDIT AVAILABILITY PROGRAM

REFERENCE GUIDE



- **EDC Mid-Market Guarantee and Financing Program**
 - Application Deadline - June 30, 2021
 - Amount Available - Between \$16.75 million to a maximum of \$80 million
 - Who Can Apply - Businesses who need working capital to cover operational costs due to COVID-19
 - How to Apply - Through your business banking institution

Program Details: Through the BCAP, EDC's Mid-Market Guarantee and Financing Program will bring liquidity to companies who tend to have revenues of between \$50 million to \$300 million, to sustain operations during this uncertain period. EDC will continue to work with Canadian financial institutions to guarantee 75 % of new operating credit and cash-flow loans

Eligibility: These expanded guarantees are available to exporters, international investors and businesses that sell their products or services within Canada.

There will be additional eligibility requirements through your financial institution.

For more information on the EDC Mid-Market Guarantee and Financing Program, [click here](#).

CRITICAL ADDITIONAL BCAP PROGRAM INFORMATION:

The **BCAP** program is now available at most Canadian [banks](#) and [credit unions](#).

This support is available until June 30, 2021.

NOTE: Any forgivable portions of the **Business Credit Availability Program** the received by an employer is considered **government assistance** and is included in the employer's **taxable income**.

The information on this reference guide and on the Manitoba Business Matters website is based on rapidly-developing relief programs and legislative changes and is produced by Manitoba Business Matters as an information service to Manitoba businesses.

It is not intended to substitute professional advice.

These summaries will be updated as support programs and legislation continues to evolve.

For the most comprehensive and current information, please review the Government of Canada's COVID-19 Economic Response Plan [click here](#).



STAY INFORMED!

As updates related to this program and more is released we will be sending out bulletins and helpful guidance for your business.

[Click here](#) to subscribe to our newsletters to get reliable, up to the minute information right to your inbox.