

IMPORTANT UPDATES

Canada Emergency Business Account (CEBA)

CEBA requirements and deadlines have changed:

- ❖ As of December 4, 2020, CEBA loans for eligible businesses increased from \$40,000 to \$60,000. To qualify, attestations will be required as to the impact of COVID on the business (see Appendix A)
- ❖ Applicants who have received the \$40,000 CEBA loan may apply for the \$20,000 expansion, which provides eligible businesses with an additional \$20,000 in financing (\$10,000 of which is forgivable)
- ❖ All applicants have until **March 31, 2021**, to apply for \$60,000 CEBA loan or the \$20,000 expansion.
- ❖ Please continue to refer to the loan agreement between your company and financial institution, with reference to the CEBA website requirements if there is insufficient detail in said agreement ([CEBA website](#))

Who can apply for the \$20,000 expansion?

Applicants with a \$40,000 CEBA loan may apply for the \$20,000 expansion. Applicants that have not yet applied for CEBA, can apply for the full \$60,000 at once.

I already repaid my original CEBA loan. May I apply for the \$20,000 expansion?

Yes, you may apply for the \$20,000 expansion at the financial institution that provided you with your original CEBA loan.

If my financial institution is not yet offering the \$20,000 expansion, can I apply for the it elsewhere?

No, you must apply for the \$20,000 expansion at the financial institution that provided you with your original CEBA loan.

What are the repayment terms for the \$40,000 and \$60,000 loan and the \$20,000 expansion?

The following terms apply to all CEBA loans (original loan and expansion loan):

Interest:

- ❖ 0% per annum interest until December 31, 2022
- ❖ 5% per annum interest starting on January 1, 2023; interest payment frequency to be determined by your financial institution

Repayments & Maturity:

- ❖ No principal repayment required before December 31, 2022
- ❖ If loan remains outstanding after December 31, 2022, only interest payments required until full principal is due on December 31, 2025

Debt Forgiveness:

- ❖ If the outstanding principal, other than the amount of potential debt forgiveness, is repaid by December 31, 2022, the remaining principal amount will be forgiven, provided that no default under the Loan has occurred

Appendix A – Example of Attestations required for CEBA expansion with TD Canada Trust

The Borrower certifies:

- i. that its business is facing ongoing financial hardship (including, for example, a continued decline in revenue or cash reserves, or an increase in operating costs) as a result of the COVID-19 pandemic;
- ii. that it intends to continue to operate its business or to resume operations;
- iii. that in response to the COVID-19 pandemic it has made all reasonable efforts to reduce its costs and to otherwise adapt its business to improve its viability; and
- iv. that it has not used any loan received under the Program to make any payment or pay any expense other than Eligible Non-Deferrable Expenses. Specifically, the Borrower has not used any loan received under the Program to make any prepayment/refinancing of existing indebtedness, any payment of dividends, distributions or increases in management compensation or to increase the compensation of related parties.

Sources for the above information are:

<https://ceba-cuec.ca/>

<https://www.forms.td.com/app/ceba/#/ceba/ceba-form>