



2020 Canada Emergency Business Account (CEBA)

FAQ's

What is the Canada Emergency Business Account?

To ensure that small businesses have access to the capital they need to see them through the current challenges, the Government of Canada announced the launch of the new Canada Emergency Business Account, which will be implemented by eligible financial institutions in cooperation with Export Development Canada (EDC).

This program will provide interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced, due to the economic impacts of the COVID-19 virus.

To qualify, these organizations will need to demonstrate they paid between \$20,000 to \$1.5 Million in total payroll in 2019. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).

What interest rate and fees will I pay on the loan?

The \$40,000 loan is interest-free. 25% of the loan (Up to \$10,000) is eligible for complete forgiveness if 75% (Up to \$30,000) is fully 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 term loan charging an interest rate of 5%. There are no associated fees with this loan.

When will I start having to repay the loan?

25% of the loan (Up to \$10,000) is eligible for complete forgiveness if 75% is fully repaid on or before December 31, 2022. After this date, the loan can be converted into a 3-year term loan charging an interest rate of 5%.

What will my loan payments be?

The loan is interest-free until December 31, 2022. Furthermore, no principal repayments are required during this period (unless you are seeking to repay 75% to qualify for the 25% forgiveness feature).

If you choose to extend the loan beyond this date, interest of 5% applies during the extension period. We will provide you more information on interest payments during the extension period once the program is in place.

Do I have to take the full \$40,000 loan?

No. You may request any amount up to \$40,000. If you request less funds, you may be able to request more up to \$40,000 before December 31, 2020.

How do I apply?

Rocky Credit Union is currently working on an application portal for all of its members and will be launching the program shortly. Please check back soon or reach out to info@rockycu.com for further assistance.

What information will I need to have on-hand to apply?

Businesses or not-for-profits will be eligible to apply for this loan if they have:

- an operating company registered in Canada on March 1, 2020;
- annual payroll of between \$20,000 to \$1.5 Million as evidenced by the organization's 2019 T4 Summary of Remuneration Paid (T4SUM) (if you cannot locate your T4SUM, contact the Canada Revenue Agency to have them reissue it to you);
- a 15-digit Canada Revenue Agency Number also shown on the T4SUM;
- Rocky Credit Union Ltd. as their primary bank. This means that the business uses a Credit Union Business Operating Account (opened on or before March 1, 2020) for day-to-day payments and cash management activities. Otherwise, please apply through the financial institution that holds your primary Business Operating Account;
- good standing as an existing borrower; and
- business contact information, including phone number and email address.

I haven't received or can't locate my 2019 T4 Summary of Remuneration Paid. How do I apply?

Please contact the Canada Revenue Agency to have them reissue your 2019 T4 Summary of Remuneration Paid (T4SUM).

My business requires the consent of more than one director or officer to bind my organization. Can I still apply?

Your application will require that your organization can enter into the Canada Emergency Business Account loan agreement with the consent and attestation of only one signing officer. We recommend in this case that your organization prepare and approve a resolution that allows the key principal applying for the loan to be given the special authority to attest on behalf of, and individually, bind the organization to the terms of the loan agreement.

I have accounts at multiple financial institutions. How do I determine where to apply?

Your business' primary financial institution is the one where your business does the majority of its day-to-day banking, including employee payroll, supplier payments, and collection of receivables using a Credit Union Business Operating Account. If the Credit Union is not where your business conducts its day-to-day banking, please apply through the financial institution that holds your primary Business Operating Account.

You can apply only once for the CEBA program regardless of how many financial institutions you deal with.

My mortgage is with the Credit Union but I do not have an operating account. Can I still apply?

No. For the purpose of the CEBA program, your business' primary financial institution is the one where your business does the majority of its day-to-day banking, including employee payroll, supplier payments, and collection of receivables using a Credit Union Business Operating Account. If the Credit Union is not where

your business conducts its day-to-day banking, please apply through the financial institution that holds your primary Business Operating Account.

I own and operate more than one business. Can I apply more than once for the CEBA credit facility?

Yes. As long as each of your businesses meets the outlined qualifications, they will be eligible to participate in the CEBA program.

I run my sole proprietor/partnership business using a Credit Union personal chequing account. Can I still apply?

No. The Canada Emergency Business Account is available only to business clients with employee payrolls between \$20,000 to \$1.5Million in 2019. Use of a personal chequing account is not permitted when operating in the name of a business. The federal government has announced a number of relief measures to support individuals as sole proprietors. Further information is available at the Government of Canada's COVID-19 Economic Response Plan site.

Who do I contact if I do not qualify for the loan?

Rocky Credit Union is administering the Canada Emergency Business Account loan program on behalf of the Federal Government. If you have questions about your organization's eligibility based on their qualification criteria, please visit the Federal Government's support site.

My business needs more than what is available through the Canada Emergency Business Account. What are my other options?

If your business is experiencing hardship due to COVID-19, you may be eligible to qualify for additional relief measures available at the Government of Canada's COVID-19 Economic Response Plan site. Additionally, the Credit Union currently offers a skip the payment program to assist its members with cash flow issues caused by the COVID-19 pandemic. Please contact your Credit Union Advisor, Account Manager or submit questions to info@rockycu.com for further assistance.

NEW – UPDATED CEBA 3.0

1. For businesses with total employment income paid to employees in 2019 of \$20,000 or less and 2020 eligible non-deferrable expenses greater than \$40,000 and less than \$1,500,000

Step 1: Businesses will initiate applications directly at their primary financial institution where they hold their primary business chequing/ operating account. The financial institution will then direct applicants to Step 2 of the application process.

Step 2: Following the initial application through your financial institution, applicants will be directed to a CEBA website to provide supporting documentation of the 2020 eligible non-deferrable expenses and to complete the application. A document upload instruction guide is available [here](#). Please have the following information ready:

- The name of the financial institution where you submitted your application; and



- Your 9-digit business number (same number you used in your application with your financial institution); and
- Electronic or paper copies of Receipts / Invoices / Agreements to be uploaded as evidence of your 2020 Eligible Non-Deferrable Expenses.

The Government of Canada will assess application information submitted via financial institutions in Step 1 together with the supporting documentation and information provided in Step 2. If successful, the Government of Canada will notify your financial institution and provide funding for your CEBA loan.