

CANADA EMERGENCY BUSINESS ACCOUNT - CEBA

<https://www.todocanada.ca/canada-emergency-business-account-and-new-loan-programs-for-small-businesses/>

What is it?

- It's a \$40,000 government guaranteed loan to help eligible businesses pay for operating expenses, payroll and other non deferrable expenses which are critical to sustain business continuity.
- Until December 31, 2020, the Canada Emergency Business Account will be funded as a revolving line of credit for \$40,000.
- After December 31, 2020, any outstanding balance on the revolving \$40,000 line of credit will be converted into a non revolving 5 year term loan maturing on December 31, 2025, at which time the balance must be paid in full.
- No interest applies until January 1, 2023.
- Commencing on January 1, 2023, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.
- If you pay 75% of the balance of the term loan (as at January 1, 2021), 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 75% of the balance of the term loan (as at January 1, 2021) 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.

When can I enroll for CEBA? Please note that the CEBA enrollment will only be available online beginning the week of April 6, 2020.