

## CEBA (Canada Emergency Benefit Account) Loan Repayment Deadlines & Options

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

The CEBA program offered interest-free loans of up to \$60,000 to small businesses and not-for-profits.

For eligible CEBA borrowers in good standing, repaying the balance of the loan on or before January 18, 2024, will result in loan forgiveness of up to 33 percent (up to \$20,000).

As of October 26, 2020, eligibility for CEBA expanded by removing the previous March 1, 2020 condition for having an active business chequing/operating account. With this removal, eligible businesses could apply after opening a business chequing/operating account with their primary financial institution.

As of December 4, 2020, approved CEBA borrowers were able to receive a \$60,000 loan. CEBA borrowers who had received the \$40,000 CEBA loan were able to apply for the CEBA expansion, which offered eligible businesses an additional \$20,000 of financing.

### What are the terms of the forgiveness?

All applicants who meet CEBA eligibility criteria will have the following terms of forgiveness:

#### **If you borrowed \$40,000 or less:**

Repaying the outstanding balance of the loan (other than the amount available to be forgiven) on or before January 18, 2024, will result in loan forgiveness of 25 percent (up to \$10,000).

#### **Example 1:**

Maximum Amount Borrowed: \$40,000

Amount Repaid By January 18, 2024: \$30,000

Available Forgiveness: \$10,000

#### **Example 2:**

Maximum Amount Borrowed: \$20,000

Amount Repaid By January 18, 2024: \$15,000

Available Forgiveness: \$5,000

#### **Example 3:**

Maximum Amount Borrowed: \$40,000

Amount Repaid By January 18, 2024: \$25,000

Available Forgiveness: \$0

**If you borrowed more than \$40,000 and up to \$60,000:**

If you received a \$40,000 loan and subsequently received the \$20,000 expansion, the terms of your forgiveness have changed and are described here.

Repaying the outstanding balance of the loan (other than the amount available to be forgiven) on or before January 18, 2024, will result in a single tranche of loan forgiveness up to \$20,000 based on a blended rate:

- 25 percent on the first \$40,000; plus
- 50 percent on amounts above \$40,000 and up to \$60,000.

For clarity, the portion of forgiveness based on a rate of 25% and the portion of forgiveness based on a rate of 50% are combined into a single tranche of forgiveness, which is only available if all other outstanding amounts are repaid by January 18, 2024. For example, if \$60,000 is borrowed, no forgiveness is available unless \$40,000 is repaid.

**Note:** *some financial institutions may record your \$40,000 loan and \$20,000 expansion as two separate loans. For the purposes of loan forgiveness, borrowings and repayments on both loans will be aggregated.*

**Example 4:**

Maximum Amount Borrowed: \$60,000

Amount Repaid By January 18, 2024: \$40,000

Available Forgiveness: \$20,000 ( $\$40,000 \times 25\% + \$20,000 \times 50\%$ )

**Example 5:**

Maximum Amount Borrowed: \$50,000

Amount Repaid By January 18, 2024: \$35,000

Available Forgiveness: \$15,000 ( $\$40,000 \times 25\% + \$10,000 \times 50\%$ )

**Example 6:**

Maximum Amount Borrowed: \$60,000

Amount Repaid By January 18, 2024: \$35,000

Available Forgiveness: \$0

**If you fully repaid your original \$40,000 loan, claimed forgiveness, and thereafter received the \$20,000 expansion:**

Repaying the outstanding balance of the \$20,000 expansion (other than the amount available to be forgiven) on or before January 18, 2024, will result in loan forgiveness of 50 percent (up to \$10,000).

**Example 7:**

Maximum amount Borrowed: \$20,000

Amount Repaid By January 18, 2024: \$10,000

Available Forgiveness: \$10,000

**Example 8:**

Maximum amount Borrowed: \$20,000

Amount Repaid By January 18, 2024: \$8,000

Available Forgiveness: \$0

## **Am I eligible for the January 18, 2024, loan repayment extension?**

Borrowers who met CEBA eligibility criteria and are in good standing are eligible for the January 18, 2024, loan repayment extension. Borrowers qualified for the new extended term have been contacted by their financial institution with details regarding the new repayment date.

CEBA eligibility criteria validations have been completed for all borrowers and the results of these validations are final. These validations were conducted in partnership with the Canada Revenue Agency (CRA) and revalidated periodically since the launch of CEBA in April 2020 to ensure an accurate reflection of the information in CRA records.

## **Contact Information**

If you have general questions about your CEBA loan, please contact the CEBA Call Centre at 1-888-324-4201. The CEBA Call Centre is available Monday to Friday from 9 AM to 6 PM Eastern Standard Time, excluding statutory holidays.

If you have questions about the specific details of your loan repayment, please contact your Financial Institution.

## **Other Options**

Options to offset the government loan.

- **Option 1:** Apply for a bank loan to pay the government back. This allows you to pay off the government loan in time to benefit from the portion that the government forgave for payment on time. The new bank loan in essence is extending the loan.
- **Option 2:** Agriculture and Agrifood Canada has extended and increased the advanced payment program, which could be used by our producers and retailers (that grow) which would give our members an additional year and would avoid the payback of the \$20K if the CEBA loan is paid on time. This does not help our service sector (landscapers) but it

does for retailers and growers.

<https://agriculture.canada.ca/en/programs/advance-payments#>

- Following an **increase to the interest-free limit made in 2022**, bringing it from \$100,000 to \$250,000 for the 2022 and 2023 program years, it has been further increased to \$350,000 for the 2023 program year. This is the portion of advances on which the Government of Canada pays the interest on behalf of producers. This additional increase to the interest-free limit will generate more savings for farmers so they can maintain production to sustain their livelihoods through challenging times.

<https://www.canada.ca/en/department-finance/news/2023/09/canada-emergency-business-account-government-extends-repayment-and-partial-loan-forgiveness-deadlines.html>