

CANADA SMALL BUSINESS FINANCING PROGRAM

HELPING YOUR BUSINESS START OR GROW

canada.ca/csbfcp



Canada



HELPING SMALL BUSINESSES GET LOANS

The Canada Small Business Financing Program makes it easier for small businesses to get loans from financial institutions by sharing the risk with lenders.

Over the past 10 years, small businesses have received \$9.8 billion in asset-based financing representing over 61,000 loans made.

WHO IS ELIGIBLE?

Small businesses or start-ups operating for profit in Canada, with gross annual revenues of \$10 million or less.

Not eligible under this program are farming businesses (for a similar program for the farming industry, visit www.agr.gc.ca), not-for-profit organizations, or charitable and religious organizations.

HOW MUCH FINANCING IS AVAILABLE?

Up to a maximum of \$1,000,000 for any one borrower, of which no more than \$350,000 can be used for purchasing leasehold improvements or improving leased property and purchasing or improving new or used equipment.

HOW DO I APPLY FOR A LOAN?

Financial institutions deliver the program and are solely responsible for approving the loan.

Discuss your business needs with a financial officer at any bank, caisse populaire or credit union in Canada. The financial officer will review your business proposal and make a decision on your loan application. Once the decision is made to offer financing under the program, the financial institution will disburse the funds and register the loan with Innovation, Science and Economic Development Canada.

WHAT CAN BE FINANCED?

Loans can be used to finance the following costs:

- purchase or improvement of land or buildings used for commercial purposes
- purchase or improvement of new or used equipment
- purchase of new or existing leasehold improvements, that is, renovations to a leased property by a tenant

For example, you can use a loan to finance:

- commercial vehicles
- hotel or restaurant equipment
- computer or telecommunications equipment and software
- production equipment
- eligible costs to buy a franchise

You cannot use a loan to finance items such as:

- goodwill
- working capital
- inventory
- franchise fees
- research and development



WHAT ARE THE COSTS?

The interest rate is determined by your financial institution and may be variable or fixed.

- Variable rate: The maximum chargeable is the lender's prime lending rate plus 3%.
- Fixed rate: The maximum chargeable is the lender's single family residential mortgage rate for the term of the loan plus 3%.

A registration fee of 2% of the total amount loaned under the program must also be paid by the borrower to the lender. It can be financed as part of the loan.

The registration fee and a portion of the interest are submitted to Innovation, Science and Economic Development Canada by the lender to help offset the costs of the program for the government.

WHAT ARE THE TERMS OF THE FINANCING?

Lenders are required to take security in the assets financed. Lenders also have the option to take an additional unsecured personal guarantee.

FOR MORE INFORMATION, PLEASE CONTACT YOUR FINANCIAL INSTITUTION.

Canada Small Business Financing Program coordinates:

- canada.ca/csbfcp
- ic.csbfcp-pfpec.ic@canada.ca
- 1-866-959-1699 (toll-free)
- 1-866-694-8389 (TTY)
- 1-343-291-1837 (fax)

OTHER RESOURCES

The Government of Canada offers other sources of financing and can help you protect your intellectual property, get permits and licences, and sell across borders—even to us!

- Visit canada.ca/business
- 1-888-576-4444

Find everything that government can do for your business, all in one place. The Innovation Canada digital platform can match you with the best-fitting programs and services from across federal, provincial and territorial governments—in less than 3 minutes.

INNOVATION.CANADA.CA