

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 over 56,000 loans totalling \$10 billion dollars.

ELIGIBILITY

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

Not eligible under this program: farming businesses (for a similar program for the farming industry, visit the [Canadian Agricultural Loans Act Program](#)).

AVAILABLE FINANCING

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 TO 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 provide financing, the financial institution will disburse the funds and register the loan with Innovation, Science and Economic Development Canada (ISED).

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, i.e., 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



FINANCING COSTS

Interest rates are determined by your financial institution and may be variable or fixed.

- Variable: The maximum chargeable is the lender's prime lending rate plus 3%.
- Fixed: 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.

FINANCING TERMS

Lenders must 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:

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

OTHER RESOURCES

Find other financing sources, information to protect your intellectual property, get permits and licences, sell across borders, and more:

 canada.ca/business

Match your business needs with the best-fitting programs and services from across federal, provincial and territorial governments through the *Business Benefits Finder*.

 Innovation.canada.ca

Put government resources for small businesses in the palm of your hand with the *Canada Business app*:

 canada.ca/business-app