

CANADA SMALL BUSINESS FINANCING PROGRAM

HELPING YOUR BUSINESS START OR GROW

canada.ca/csbfp







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 53,000 CSBFP 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

The maximum loan amount for a borrower is \$1.15 million.

Up to a maximum of \$1,000,000 for term loans for any one borrower, of which no more than \$500,000 can be used for purchasing leasehold improvements or improving leased property and purchasing or improving new or used equipment and of that amount, a maximum of \$150,000 could be used for intangible assets and working capital costs.

Up to a maximum of \$150,000 for lines of credit.

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

Term 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
- intangible assets and working capital costs

For example, you can use a **term loan** to finance:

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

Lines of credit can be used to pay for working capital costs, that is, day-to-day operating expenses of the business.



INTEREST RATES

For **term loans**, the interest rates are determined by your financial institution and may be floating or fixed.

- Floating: 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%.

For **lines of credit**, the maximum chargeable is the lender's prime lending rate plus 5%.

REGISTRATION FEE

For **term loans**, the 2% registration fee is based on the total amount loaned under the program.

For **lines of credit**, the 2% registration fee is based on the total amount authorized.

Registration fees must be paid by the borrower to the lender and they may be financed.

FINANCING TERMS

Lenders have the option to take an unsecured personal guarantee.

For real property and equipment, security must be taken on the assets financed. For leasehold improvements, intangible assets, working capital costs and when financing a line of credit, the lender must take security on other business assets.

FOR MORE INFORMATION, PLEASE CONTACT YOUR FINANCIAL INSTITUTION.

Canada Small Business Financing Program:

 canada.ca/csbfp

 csbfp-pfpec@ised-isde.gc.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](https://innovation.canada.ca)

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

 canada.ca/business-app

Iu188-107/2022E-PDF
978-0-660-43948-8

Iu188-107/2022
978-0-660-43950-1