

Navigating your business during uncertain times: A discussion with EDC and BDC

Summary of Questions on the COVID-19 Relief Programs for Canadian businesses

Updated: April 22, 2020

This FAQ responds to questions submitted during HSBC Bank Canada's webinar on Thursday, April 9th, 2020, "Navigating your business during uncertain times: A discussion with EDC and BDC" and that we have been receiving surrounding the government relief programs.

The answers provided in this document are based on the current information available, and are subject to change. For the latest information on the COVID-19 relief programs, we encourage you to visit our website at www.business.hsbc.ca or contact your HSBC Relationship Manager to discuss further.

Frequently Asked Questions

Canada Emergency Business Account (CEBA)

1. How can the bank help in getting CEBA loan?

- a. You can apply for the Canada Emergency Business Account by filling out our [application form](#). If you have any additional questions, please review the most common questions and answers on our website, or contact your HSBC Relationship Manager.

2. If the business does not qualify for the CEBA, might it qualify for some of these other programs?

- a. Yes. We encourage you to check the criteria for the other business relief programs, or reach out to your Relationship Manager to discuss further.

3. Is there a collateral requirement for Canada Emergency Business Account loan?

- a. No, there is no requirement. You can find all of the eligibility requirements for CEBA on our website [here](#).

4. Are sole proprietors who are not incorporated eligible for CEBA or any of these loans?

- a. Yes. You can find all of the eligibility requirements for CEBA on [our website](#).

Business Credit Availability Program (BCAP) Guarantee

5. Are non-CCPC companies able to participate in EDC and BDC BCAP programs?

- a. The program is open to Canadian businesses only (including those with no export sales) in need of short-term liquidity to sustain operations through the pandemic.

6. Are professional corporations eligible for BCAP?

- a. Yes, all Canadian businesses who are in need of short-term liquidity to sustain operations during this pandemic are eligible.

7. What would be the best program for goods being imported 1 Million over 6 months? Do I qualify for the 40K as well as EDC or BDC programs?

- a. Please contact your HSBC Relationship Manager for an assessment of your situation and to see which support options they recommend.

8. What are the costs to the company for using the EDC guarantee programs?

- a. Please reach out to your HSBC Relationship Manager. They can walk you through costs and interest rates associated with this program.

9. Just to confirm the EDC program does NOT depend on whether the client is an exporter or not?

- a. Correct, any Canadian business is eligible – it does not require export sales but proceeds must be used to sustain operations.

10. What is the \$-range financing available under the BCAP program?

- a. The EDC BCAP Guarantee provides businesses with up to \$6.25 million in credit to cover operational costs like payroll and rent.

Wage Subsidy Program

11. Where can I find more information on the Wage Subsidy Program?

- a. Please refer to the [Government of Canada website](#) for more details.

Canada Emergency Response Benefit (CERB)

12. Do we need to wait to apply for the CERB program?

- a. The CERB program provides support for individual Canadians. You can find more information on this program [here](#).
- b. Additionally, you can find more details on the Wage Subsidy program [here](#).

General Program Questions

13. Is HSBC ready now to trigger these two BCAP loan options?

- a. The EDC Guarantee program is now available, you can reach out to your HSBC Relationship Manager to discuss. The BDC Co-lending Program is expected to be launched within the next one to two weeks, so please look out for further announcements.

14. What is the difference between the BDC guarantee program and the EDC guarantee program?

- a. While they have several similarities, the maximum loan amounts, securitization and eligibility requirements are different, and may differ depending on your company's revenue. We encourage you to have discussions with your Relationship Manager to determine which one is most relevant to your needs. You can also read more about the programs on our [website](#).

15. From start to finish, what is the approximate timeline for disbursement of funds from some of these loan programs?

- a. Businesses interested in accessing the BCAP should first contact their HSBC Relationship Manager for an assessment of their situation. For loans provided directly by BDC, the timing depends on multiple factors, such as the amount requested, the complexity of the project etc. We are also receiving an unprecedented volume of requests. BDC have mobilize teams to respond as fast as possible, but response times are longer than usual.

16. In light of the urgent needs for Canadian businesses, what and/or how much time is involved in your Due Diligence Process?

- a. It depends on multiple factors, such as the amount requested, the complexity of the project, and other factors. BDC have mobilized all teams to respond as fast as possible, but response times are longer than usual due to the unprecedented volume of requests.

17. In order to apply for the loan, do we have to provide audited financial statements?

- a. No, audited financial statements are not required.

18. Most private entities in Canada do not have a debt rating. Is that a requirement?

- a. A debt rating is not a requirement. Your Bank will utilize its internal risk rating criteria to assess.

19. Are there any programs specifically to help small businesses with rent?

- a. Both the EDC and BDC programs available can be used to assist with rent payments. You can find out more information on our [website](#), or speak with your HSBC Relationship Manager.

20. What is the working capital loan that was being referred to? Is that something that existed before or is that CEBA?

- a. Businesses interested in accessing the BCAP should first contact their HSBC Relationship Manager for an assessment of their situation. HSBC will refer to EDC and BDC their existing clients whose needs extend beyond what is available through the private sector alone. Special relief measures offered by BDC include working capital loans of up to \$2 million with flexible terms and payment postponements for up to 6 months for qualifying businesses.

21. Do you have any suggested guidelines for choosing between EDC's BCAP program vs Small & Medium Sized Enterprise Loan Guarantee?

- a. While they have several similarities, the maximum loan amounts, securitization and eligibility requirements are different, and may differ depending on your company's revenue. Please contact your HSBC Relationship Manager so that they may assess your situation and advise on the right support programs best suited for your business needs.

22. What course do you recommend for property owners?

- a. One option could be a principal deferral arrangement. Please reach out to your HSBC Relationship Manager to discuss.