

## Government extends loan forgiveness repayment deadline for the Canada Emergency Business Account

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Ottawa, Ontario

Department of Finance Canada

The Canada Emergency Business Account (CEBA) program has provided interest-free, partially forgivable loans to nearly 900,000 small businesses and not-for-profit organizations to help them navigate the pandemic and remain resilient. However, the Omicron variant has delayed the recovery for businesses in many parts of the country.

Today, the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance, and the Honourable Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development, announced that the repayment deadline for CEBA loans to qualify for partial loan forgiveness is being extended from December 31, 2022, to December 31, 2023, for all eligible borrowers in good standing.

This extension will support short-term economic recovery and offer greater repayment flexibility to small businesses and not-for-profit organizations, many of which are facing continued challenges due to the pandemic. Repayment on or before the new deadline of December 31, 2023, will result in loan forgiveness of up to a third of the value of the loans (meaning up to \$20,000).

Outstanding loans would subsequently convert to two-year term loans with interest of 5 per cent per annum commencing on January 1, 2024, with the loans fully due by December 31, 2025.

The government is also announcing that the repayment deadline to qualify for partial forgiveness for CEBA-equivalent lending through the Regional Relief and Recovery Fund is extended to December 31, 2023.

### Quotes

“As Omicron has reminded us, we are still living in a pandemic. Our government understood, from the outset, that we had to put in place unprecedented measures to meet this unprecedented challenge. By providing small businesses with additional time to repay their loans and still have partial loan forgiveness, affected businesses and workers will continue to have the support they need to get through the pandemic.”

*- The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance*

“As we fight the latest wave of the COVID-19 pandemic, we will continue to stand by Canada’s small businesses. Almost 900,000 small businesses accessed CEBA loans to help maintain operations through this difficult time. By extending the repayment deadline, we are ensuring that



these hard working business owners are able to focus on their operations and building back from this pandemic stronger than ever.”

- *The Honourable Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development*

## Quick facts

- The CEBA program was open for applications from April 9, 2020, to June 30, 2021. It has provided more than \$49 billion in liquidity to over 898,000 Canadian businesses.
- CEBA provides interest-free loans of up to \$60,000 to small businesses to help cover their operating costs during a time where their revenues have been reduced. These loans are partially forgivable. With the extension announced today, repaying the balance of the loan on or before December 31, 2023, will result in loan forgiveness of up to 33 per cent (up to \$20,000).
- The \$2 billion Regional Relief and Recovery Fund, operated through Regional Development Agencies, has been a key support for businesses unable to access other federal pandemic support programs.

## Associated links

- [Government of Canada Releases \*Economic and Fiscal Update 2021\*](#)
- [Canada Emergency Business Account \(CEBA\)](#)
- [Government expands Canada Emergency Business Account loans](#)
- [Government announces greater flexibility and extension of Canada Emergency Business Account](#)

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