



# **CANADA SMALL BUSINESS**

## *Financing Program*

Small businesses are an important part of Canada's economy, but they face unique challenges when seeking financing. The Canada Small Business Financing Program makes it easier for small businesses to obtain loans from financial institutions by sharing the risks with lenders.

### **Eligibility**

Small businesses operating for profit in Canada with gross annual revenues of \$5 million or less. Farming businesses, not-for-profit organizations, or charitable and religious organizations are not eligible under this program.

### **Loans can be used to finance up to 90 percent of the cost of**

- purchasing or improving land, real property or immovables;
- purchasing leasehold improvements or improving leased property; or
- purchasing or improving new or used equipment.

### **Amount of Financing**

Up to a maximum of \$500 000 for any one business, 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.

### **Costs**

The interest rate is determined by the financial institution. The following two options are available:

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

### **How to apply for a loan**

Financial institutions deliver the program and make all credit decisions. Small businesses must visit their local bank, credit union or Caisses populaire to obtain a loan under the program.

## **For more information on the Canada Small Business Financing Program**

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