

CEBA EXPANSION FAQs

Question	Answer
Who can apply for the \$20,000 expansion?	Applicants with a \$40,000 CEBA loan may apply for the \$20,000 expansion.
I already repaid my original CEBA loan. May I apply for the \$20,000 expansion?	Yes, you may apply for the \$20,000 expansion at the financial institution that provided you with your original CEBA loan.
What are the repayment terms for the \$40,000 and \$60,000 loan and the \$20,000 expansion?	<p>The following terms apply to all CEBA loans (original loan and expansion loan):</p> <p>Interest:</p> <ul style="list-style-type: none"> • 0% per annum interest until December 31, 2022 • 5% per annum interest starting on January 1, 2023; interest payment frequency to be determined by your financial institution <p>Repayments & Maturity:</p> <ul style="list-style-type: none"> • No principal repayment required before December 31, 2022 • If loan remains outstanding after December 31, 2022, only interest payments required until full principal is due on December 31, 2025 <p>Debt Forgiveness:</p> <ul style="list-style-type: none"> • If the outstanding principal, other than the amount of potential debt forgiveness, is repaid by December 31, 2022, the remaining principal amount will be forgiven, provided that no default under the Loan has occurred
Can I apply for an amount other than \$20,000 for the expansion?	Applicants applying for the expansion can only apply for the full \$20,000.
Can I still apply for a \$40,000 loan instead of a \$60,000 loan once the expansion is available at my financial institution?	Once your financial institution begins to offer the \$60,000 loan you may no longer apply for \$40,000.
How can I apply for the \$20,000 expansion?	Please contact the financial institution that provided you with your original CEBA loan to apply for the \$20,000 expansion.

<p>If my financial institution is not yet offering the \$20,000 expansion, can I apply for the it elsewhere?</p>	<p>No, you must apply for the \$20,000 expansion at the financial institution that provided you with your original CEBA loan.</p>
<p>Do I need to submit a new application for the \$20,000 expansion?</p>	<p>Yes, you will need to submit a new application and attestation to the financial institution that provided you with your original CEBA loan.</p> <p>You will not need to resubmit your original application, or re-upload expense documents.</p>
<p>I applied for a CEBA loan before the expansion was announced. Can I cancel my existing \$40,000 loan application and reapply for a \$60,000 loan instead?</p>	<p>Please consult with your financial institution as cancellations may or may not be offered by your financial institution.</p> <p>Note that choosing to cancel your application will reset adjudication timelines, adding additional processing time. An additional attestation will need to be submitted to apply for a \$60,000 loan.</p> <p>With respect to your existing \$40,000 loan application, once you have applied at your primary financial institution, uploaded all necessary supporting documents (if applicable), and if pre-funding eligibility validation is successful, you should expect to receive funding within 10-15 business days. Upon approval of your original loan application, you may then apply for an expansion with your financial institution.</p>
<p>How long does it take to receive a \$40,000 or \$60,000 CEBA loan?</p>	<p>Once you have applied at your financial institution, uploaded all necessary supporting documents (if applicable), and if pre-funding eligibility validation is successful, you should expect to receive funding within 10-15 business days.</p>
<p>What are the terms of the forgiveness?</p>	<p><u>If you borrowed \$40,000 or less:</u> Repaying the outstanding balance of the loan (other than the amount available to be forgiven) on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).</p> <p>Example 1: Maximum Amount Borrowed: \$40,000 Amount Repaid By December 31, 2022: \$30,000 Available Forgiveness: \$10,000</p>

Example 2:

Maximum Amount Borrowed: \$20,000
Amount Repaid By December 31, 2022: \$15,000
Available Forgiveness: \$5,000

Example 3:

Maximum Amount Borrowed: \$40,000
Amount Repaid By December 31, 2022: \$25,000
Available Forgiveness: \$0

If you borrowed more than \$40,000 and up to \$60,000:

If you received a \$40,000 loan and subsequently received the \$20,000 expansion, the terms of your forgiveness have changed and are described here.

Repaying the outstanding balance of the loan (other than the amount available to be forgiven) on or before December 31, 2022 will result in a single tranche of loan forgiveness up to \$20,000 based on a blended rate:

- 25 percent on the first \$40,000; plus
- 50 percent on amounts above \$40,000 and up to \$60,000.

For clarity, the portion of forgiveness based on a rate of 25% and the portion of forgiveness based on a rate of 50% are combined into a single tranche of forgiveness, which is only available if all other amounts outstanding are repaid by December 31, 2022. For example, if \$60,000 is borrowed, no forgiveness is available unless \$40,000 is repaid.

Note: some financial institutions may record your \$40,000 loan and \$20,000 expansion as two separate loans. For the purposes of loan forgiveness, borrowings and repayments on both loans will be aggregated.

Example 4:

Maximum Amount Borrowed: \$60,000
Amount Repaid By December 31, 2022: \$40,000
Available Forgiveness: \$20,000 ($\$40,000 \times 25\% + \$20,000 \times 50\%$)

	<p>Example 5: Maximum Amount Borrowed: \$50,000 Amount Repaid By December 31, 2022: \$35,000 Available Forgiveness: \$15,000 (\$40,000 x 25% + \$10,000 x 50%)</p> <p>Example 6: Maximum Amount Borrowed: \$60,000 Amount Repaid By December 31, 2022: \$35,000 Available Forgiveness: \$0</p> <p><u>If you fully repaid your original \$40,000 loan, claimed forgiveness, and thereafter received the \$20,000 expansion:</u> Repaying the outstanding balance of the \$20,000 expansion (other than the amount available to be forgiven) on or before December 31, 2022 will result in loan forgiveness of 50 percent (up to \$10,000).</p> <p>Example 7: Maximum amount Borrowed: \$20,000 Amount Repaid By December 31, 2022: \$10,000 Available Forgiveness: \$10,000</p> <p>Example 8: Maximum amount Borrowed: \$20,000 Amount Repaid By December 31, 2022: \$8,000 Available Forgiveness: \$0</p>
<p>Will I automatically get approved for the \$20,000 expansion if I have successfully received a CEBA loan, or is there a chance I will get declined?</p>	<p>Applicants who received a \$40,000 loan must apply separately for the \$20,000 CEBA expansion.</p> <p>In instances where additional information is needed from you or your financial institution relating to your original loan application, or if post-funding validations identified a discrepancy between your original loan application and CRA records, your expansion application may be declined.</p> <p>Depending on the reason for decline, you may or may not be able to remedy your application.</p>
<p>I have been declined for the \$20,000 expansion, how should I proceed?</p>	<p>Depending on the reason for decline, you may or may not be able to remedy your application. Your financial institution will be notified and will instruct</p>

	you on the next steps if any action or input is required from you.
What is the application deadline for the \$20,000 expansion?	The deadline to apply for the \$20,000 expansion at your financial institution is June 30, 2021.
How long does it take to receive the \$20,000 expansion?	Once you have applied at your financial institution and if pre-funding eligibility validation is successful, you should expect to receive funding within 10-15 business days.

CEBA 5.0 SUMMARY

- As of December 4, 2020, CEBA loans for eligible businesses will increase from \$40,000 to \$60,000.
- Applicants who have received the \$40,000 CEBA loan may apply for the \$20,000 expansion, which provides eligible businesses with an additional \$20,000 in financing.
- All applicants have until June 30, 2021, to apply for the \$60,000 CEBA loan or the \$20,000 expansion.
- If you have questions after checking your status online, please contact the CEBA Call Centre at 1-888-324-4201. An agent will return your call between Monday and Friday from 10:00am to 9:00pm EST.