



## **News Release**

For immediate release

May 13, 2020

### **New Funding Available to Rural Businesses in Western Canada**

Small and medium size businesses in rural communities have been hit hard by COVID-19. Until now, many have not qualified for federal government funding supports such as the Canada Emergency Business Account (CEBA) or Business Credit Availability Program (BCAP). That is about to change.

Rural businesses will be able to apply for loans of up to \$40,000 from the \$95.7 million earmarked for Western Canada through the Government of Canada's Regional Relief and Recovery Fund.

"No matter how wide we extend the safety net, businesses across Canada continue to slip through the cracks. Many entrepreneurs are still anxious about whether they will get the help they need," said the Honourable Mélanie Joly, Minister of Economic Development and Official Languages and Minister responsible for Western Economic Diversification Canada. "With nearly a billion dollars in support across the country, the Regional Relief and Recovery Fund fills in some of the gaps. Our message to Canadians is clear: we are here for you now; we will be here for you in the weeks and months to come; and we will get through this together. We have got your back."

"Small and medium businesses are the backbones of many rural communities," explains Jim MacMillan, Community Futures Pan West Network Board Chair. "We are excited to have additional resources to support them through the crucial recovery phase."

Some loan highlights include:

- No interest accrual or principal payments through December 31, 2022
- If 75% of loan is repaid by December 31, 2022, the remainder of the loan is forgiven
- Blended principal and interest payments beginning January 1, 2023. Loans must be repaid by December 31, 2025
- No prepayment penalties

The 90 Community Futures organizations in British Columbia, Alberta, Saskatchewan and Manitoba will administer this program on behalf of Western Economic Diversification Canada.

*The Community Futures program is a volunteer-led initiative that has been providing financing and business resources to rural small businesses and communities since 1985.*

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## **Regional Relief and Recovery Fund and Community Futures Facts Sheet**

May 13, 2020

### **Regional Relief and Recovery Fund**

#### **Eligibility**

- Small and Medium-Sized Enterprises (SMEs) located in non-metropolitan regions (all areas served by Community Futures organizations) in Western Canada.
- As the financing terms of RRRF and Canada Emergency Business Account (CEBA) are the same, rural businesses can choose which program to apply for funding. Applicants can only apply to ONE of these federal programs.
- Small business must attest to their ineligibility for other federal government COVID-19 support programming such as the Business Credit Availability Program (BCAP)
- The small business must have been viable and not experiencing any liquidity or other financial difficulties as of March 1, 2020.
- The small business must have experienced a material adverse effect on business operations on or after March 1, 2020 as a result of the COVID-19 pandemic.
- Business established before March 1, 2020.
- Be a sole proprietorship, partnership, corporation, social enterprise, or other similar organization.

#### **Eligible expenses**

- Operating expenses, payroll and other non-deferrable expenses which are critical to sustain business continuity.

#### **Repayment terms**

- No interest accrual or principal payments through December 31, 2022
- If 75% of loan is repaid by December 31, 2022, the remainder of the loan is forgiven
- Blended principal and interest payments beginning January 1, 2023 and loans must be repaid by December 31, 2025
- No prepayment penalties

### **About Community Futures Pan West Network**

- Working in partnership with Western Economic Diversification Canada, the Community Futures Pan West Network provides support to the network of 90 Community Futures organizations in British Columbia, Alberta, Saskatchewan and Manitoba.
- Community Futures organizations will administer the Regional Relief and Recovery Program on behalf of Western Economic Diversification Canada.
- The Community Futures program is a volunteer-led initiative that has been providing funding and business resources to rural businesses and communities since 1985.
- In 2019, Western Community Futures organizations provided 1,335 loans worth \$72.6 million, in turn supporting over 3,700 jobs in rural communities.
- To learn more about Community Futures Pan West Network visit [www.communityfuturespanwest.ca](http://www.communityfuturespanwest.ca)
- Community Futures Pan West Network is part of a national network of Community Futures organizations, Community Futures Canada – [www.communityfuturescanada.ca](http://www.communityfuturescanada.ca)