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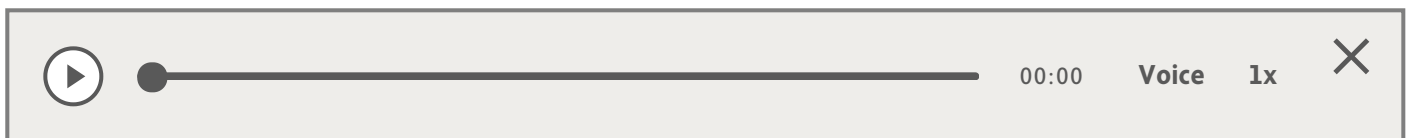
Some Canadian internet providers hiking rates despite financial fallout from coronavirus

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## Banks will start offering government-backed loans to small businesses next week

**JAMES BRADSHAW** > BANKING REPORTER  
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Canada's banks are preparing to start offering government-backed loans to small businesses as soon as next week amid a flood of requests for relief from business owners.

**Banks have been rushing to roll out a program by which the federal government will guarantee loans of up to \$40,000 interest-free until the end of 2022.**

The loans are part of a package of measures announced late last week by federal Finance Minister Bill Morneau, offering relief for small- and medium-sized businesses suffering from restrictions put in place to curb the spread of the new coronavirus.

On Wednesday, Canadian Imperial Bank of Commerce announced it is launching a digital application process for the loans, and expects to make them available during the week of April 6. Banks are expecting hundreds of thousands of businesses to apply, and are already fielding large volumes of calls from clients requesting to defer payments on mortgages and other loans and credit products.

While banks had initially asked the federal government for as long as three weeks to roll out the program, it soon became clear that small businesses needed relief sooner than that, according to a source familiar with the discussions.

The Globe and Mail is granting the source anonymity because they are not authorized to discuss the matter.

The federal government has promised \$25-billion to guarantee the loans, removing the risk for banks. One quarter of each loan, up to \$10,000, will be forgiven if businesses repay their balance before Dec. 31, 2022. If the loans aren't repaid by that date, they can be converted into three-year term loans charging 5-per-cent interest, according to a CIBC statement.

"We know many small businesses in Canada have an urgent need to access the loan program announced by the federal government, so we have fully automated the loan application and disbursement process to get funds flowing as fast as possible," said Laura Dottori-Attanasio, CIBC's group head of personal and business banking, in a statement.

The loans will be available to small- and medium-sized businesses as well as non-profits that have a registered operating company in Canada, had annual payrolls between \$50,000 and \$1-million in 2019, and apply to the primary bank that currently holds their operating account.

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351 King Street East, Suite 1600, Toronto, ON Canada, M5A 0N1

Phillip Crawley, Publisher