



PROFESSIONAL CORPORATION  
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## HIGHLY AFFECTED SECTORS CREDIT AVAILABILITY PROGRAM (HASCAP)

### HASCAP Guarantee Loan – APPLICATIONS OPEN

On January 26, 2021, the Minister of Small Business, Export Promotion and International Trade announced the launch of the Highly Affected Sectors Credit Availability Program, or HASCAP. HASCAP will provide financial support to businesses that have been negatively impacted by the COVID-19 crisis.

The Business Development Bank of Canada (BDC) will work with participating Canadian financial institutions to offer fully guaranteed, low interest loans from **\$25,000 up to \$1 million** to help qualifying businesses finance their daily operational costs. You can apply for a loan under the HASCAP Guarantee for each legal entity you own, up to a maximum combined amount of **\$6.25 million**.

Loans provided will be **low interest (4%)** with repayment terms of up to 10 years and up to a 12-month postponement on principal repayments at the start of the loan. **No personal guarantees** will be required. Instead the loans are 100% guaranteed by the BDC.

#### Who will qualify?

- Canadian based businesses that were financially stable and viable prior to the current economic situation and have been in operation as at March 1, 2020.
- Must have **(i) demonstrated a minimum 50% revenue decline for at least 3 months (does not have to be consecutive) within the 8-month period prior to the HASCAP application** and **(ii) received payments either from the Canada Emergency Subsidy (CEWS) or the Canada Rent Subsidy (CERS)**.
  - **If your business did not receive CEWS or CERS and is eligible for it**, you must apply for CEWS and/or CERS.
  - **If your business does not qualify for CEWS or CERS**, financial statements must be provided that reflect 3 months (does not have to be consecutive) in which monthly year-over-year revenue decreased by at least 50% within the 8-month period prior to the HASCAP Guarantee application.
- Other conditions may apply.

#### How can the loan be used?

- This loan can be used to pay for daily operating expenses such as rent, salaries, and general expenses in order to continue or resume operations.
- The loan **cannot** be used to pay off or refinance existing loans.

#### How can businesses apply for the loan?

Businesses can apply for the HASCAP loan at their principal financial institution. Only one application per legal entity.



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To start the process:

1. Complete and submit the HASCAP Guarantee Online ID Form. (Please note this form does not constitute an approval and is a step in the application process.)  
Online ID form: <https://www.bdc.ca/en/special-support/hascap/hascap-guarantee-id-form>
2. Wait for an email from BDC with your unique ID code.
3. Provide your financial institution with this unique ID code.

### **When can businesses apply for the loan?**

As of **February 1<sup>st</sup>, 2021**, eligible businesses can start to apply for this loan at their principal financial institutions. Applications are available until **June 30, 2021**.

### **Where can you find the status of your application?**

Applicants can receive updates regarding the status of their application through their principal financial institution. Your principal financial institution is responsible for managing this program and they can guide you in the application process and update you on the status.

### **Assistance is available with making applications**

I&A Professional Corporation is working with **Corsolutions Corp.** a professional consultant firm, to provide businesses with independent advice and assistance with applying for HASCAP loans and other available COVID relief loans, grants and subsidies. The services are fee based.

**For more information** about HASCAP loans, please contact Mr. Rick Arnone, Corsolutions Corp. tel. 416-951-3866 [rick@corfinancialcorp.com](mailto:rick@corfinancialcorp.com) or visit the Corsolutions website at [www.corfinancialcorp.com/corsolutions](http://www.corfinancialcorp.com/corsolutions).



**Rick Arnone**

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Rick is a senior consultant with COR Solutions, the advisory division of COR. He focuses on helping clients with growth strategies, strong governance, and financial stewardship. Rick is a seasoned senior banking professional with over three (3) decades of experience in assisting businesses and clients with their financing needs and optimal capital structure.

### **Sources**

<https://www.bdc.ca/en/special-support/hascap>

<https://www.bdc.ca/globalassets/digizuite/28337-hascap-garantee-factsheet.pdf>