

Regional Relief and Recovery Fund

The Government of Canada and Community Futures organizations (CFs) understand the difficulties the COVID-19 pandemic has caused the small business community throughout the West. As a result, the Government of Canada has made funds available to the CFs to provide support and assistance to SMEs through the rural stream of the Regional Relief and Recovery Fund (RRRF).

Small business owners impacted as a result of the COVID-19 pandemic can apply for loans up to \$40,000 through the Regional Relief and Recovery Fund (RRRF).

The Regional Relief and Recovery Fund provides funding to support businesses that have not been approved for supports through the Canada Emergency Business Account (CEBA) or the Emergency Loan Program delivered through Aboriginal Financial Institutions.

General Details:

- Maximum loan of \$40,000
- 0% interest until December 31, 2022;
- No principal payments until December 31, 2022;
- Principal repayments can be voluntarily made at any time without penalty;
- 25% up to a maximum of \$10,000 in loan forgiveness is available, provided the outstanding balance is paid back by December 31, 2022;
- If any part of the balance is not paid by December 31, 2022, the remaining balance will be converted to a term loan effective January 1, 2023; and,
- The full balance must be repaid no later than December 31, 2025.

Eligibility of Businesses:

- As per Terms and Conditions of the Community Futures Program, SMEs are defined as having less than 500 employees and annual sales revenue of less than \$20 million, and produce goods and services for the market economy, regardless of their business structure (e.g. sole proprietorships, social enterprises, cooperatives, etc.);
- The applicant has not been approved for other federal supports such as the Canada Emergency Business Account (CEBA)
- The SME must have been viable as of March 1, 2020;
- Established before March 1, 2020; and,
- Must have been adversely impacted because of the COVID-19.

Eligible Uses for Loan Funding:

The funds from this loan shall only be used by the Borrower to pay non-deferrable operating expenses of the Borrower including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and may not be used to fund any payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation. Note that funds from this loan cannot be used to pay expenses already supported through the Canada Emergency Wage Subsidy or the Canada Emergency Commercial Rent Assistance.