



Canada Emergency Commercial Rent Assistance (CECRA)

May 20, 2020

Background

Prime Minister Justin Trudeau announced today that application documents and updated criteria for Canada Emergency Commercial Rent Assistance (CECRA) for small businesses are now available, and that the program will be opened for applications beginning on May 25.

“The Government of Canada is focused on safeguarding workers’ jobs as we continue to deal with this pandemic. That’s why we reached an agreement in principle last month with all provinces and territories to implement CECRA. This program will provide forgivable loans to eligible commercial property owners, who in turn will give a rent reduction of at least 75 per cent for April and May (retroactive), and June, to their small business tenants.”

Applications will be accepted through the Canada Mortgage and Housing Corporation [website](#) beginning on May 25, and application documents can be accessed now.

Full Details: <https://pm.gc.ca/en/news/news-releases/2020/05/20/prime-minister-announces-opening-program-protect-jobs-and-help>

Key-Points

- CECRA will provide forgivable loans to qualifying commercial property owners, whether they have a mortgage on their property or not. The loans will cover 50 per cent of three monthly rent payments that are payable by eligible small business tenants who are experiencing financial hardship during April, May, and June.



- The loans will be forgiven if the qualifying property owner agrees to reduce the small business tenants' rent by at least 75 per cent under a rent reduction agreement, which will include a term not to evict the tenant while the agreement is in place. The small business tenant would cover the remainder, up to 25 per cent of the rent.
- Impacted small business tenants are businesses that are paying less than \$50,000 per month in gross rent in a given location, with annual revenues of less than \$20 million (at the ultimate parent level), and who have experienced at least a 70 per cent drop in pre-COVID-19 revenues.

ELIGIBILITY

To qualify for CECRA for small businesses, the commercial property owner must:

- own commercial real property* which is occupied by one or more impacted small business tenants.
- enter (or have already entered) into a legally binding rent reduction agreement for the period of April, May and June 2020, reducing an impacted small business tenant's rent by at least 75%.
- ensure the rent reduction agreement with each impacted tenant includes:
 - a moratorium on eviction for the period during which the property owner agrees to apply the loan proceeds, and
 - a declaration of rental revenue included in the attestation.

How does this impact First Nations Businesses?

CECRA for small businesses doesn't apply to any properties owned by the federal, provincial, or municipal governments. There are certain exceptions where there are long-term commercial leases with third parties to operate the property including:

- airports
- post-secondary institutions
- hospitals
- a pension fund
- First Nation and any indigenous organizations and governments
- Crown corporation with limited appropriations, designated as eligible under CECRA by CMHC

NOTE: Small businesses that opened on or after March 1, 2020 are not eligible.

** We define commercial Real Property as a commercial property with small business tenants. Commercial properties with a residential component and multi-unit residential mixed-use properties would equally be eligible with respect to their small business tenants.*



NOTE: Properties with or without a mortgage are eligible under CECRA for small businesses.

HOW TO APPLY

What you will need:

Property owners will need to provide information in support of their application, sign an attestation and agree to the terms and conditions of the loan agreement in order to be eligible for the program.

Examples of all of the required documentation are available on the [website](#), it is recommended that applicants review them ahead of time.

When to Apply

To manage application volume, CHMC is asking property owners to **register** on the following days once the application process has opened.

NOTE: Once registered, the portal will be available 24/7 for applicants to input data and upload documents.

Day	Who should register?
Monday	Property owners who are located in Atlantic Canada, BC, Alberta and Quebec, with up to 10 tenants who are eligible for the program
Tuesday	Property owners who are located in Manitoba, Saskatchewan, Ontario and the Territories, with up to 10 tenants who are eligible for the program
Wednesday	All other property owners in Manitoba, Saskatchewan, Ontario and the Territories
Thursday	All other property owners in Atlantic Canada, BC, Alberta and Quebec
Friday	All

CMHC has engaged [MCAP](#) and [First Canadian Title \(FCT\)](#) to deliver CECRA for small businesses. You may be contacted by either MCAP or FCT throughout the applicant validation and funding processes.

Complete details on eligibility, what is needed, how to apply and how the program works can be found on the CMHC website: <https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>





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Send all inquiries regarding COVID-19 to emergency@nan.ca

www.nancovid19.ca