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The Honourable Chrystia Freeland
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario K1A 0G5

October 23, 2023

Dear Minister Freeland,

I am writing to express my support for the Canada Emergency Business Account (CEBA) loan forgivable deadline to be extended until December 31, 2024.

During the COVID-19 pandemic, the CEBA helped small businesses stay afloat. The effects of the pandemic were devastating, even as communities came together and shopped locally to support small businesses. Now businesses that followed the government's advice and used the CEBA are forced to worry about whether they can stay open.

On September 14, the Right Honourable Prime Minister Justin Trudeau announced that the CEBA loan deadline would be extended by one year. Many news outlets and representatives reported to the public that this meant small business owners would have an extra year to repay their CEBA loan in order to keep the forgivable portion. However this information has been misinterpreted, with different deadlines being set for different circumstances.

The government has extended the initial December 2023 deadline into the new year, by just 18 days, until January 18, 2024. Those who are in the process of refinancing their loan with a financial institution have until March 28, 2024. If a business owner misses



out on the forgivable portion of their loan, their balance will increase to as much as \$60,000 and they will have until the end of 2026 to repay the loan.

These changes fail to address the most important issue, which is the loss of the forgivable portion for those unable to repay their loans by the year-end. The Canadian Federation of Independent Business (CFIB) found that the extension of the forgivable deadline by 18 days will be of very little value to the tens of thousands of small business owners who cannot repay by the new extended deadline of January 18, 2024. The CFIB found that only one-third (32%) will be able to meet this deadline, 30% will be forced to borrow to cover the loan to access the forgivable portion and another 31% will miss out altogether on the forgivable portion. 20% of those planning to borrow will be forced to use home equity, which will place them in a very precarious financial situation.

More than half (55%) of businesses are questioning whether they will be able to stay in business if they lose the forgivable portion of their CEBA loan. The CFIB reported that over 90% of business owners indicated such an extension would be enough to ensure the sustainability of their business. It is therefore of the utmost importance that the government extend the CEBA forgivable deadline to December 31, 2024.

Thank you for your time and consideration of this important matter. I look forward to reading your response.

Sincerely,



Elizabeth May, O.C.
Member of Parliament
Saanich-Gulf Islands
Leader of the Green Party of Canada

