

CAPE BRETON PARTNERSHIP

The Highly Affected Sectors Credit Availability Program (HASCAP)

The Highly Affected Sectors Credit Availability Program (HASCAP) Guarantee is a new COVID 19 relief program to help hardest-hit businesses from all sectors with additional financing.

BDC will provide a 100% net loss guarantee to increase these businesses' ability to access additional liquidity.

Proceeds of the loan (up to \$1 million) are exclusively meant to fund the operational cash flow needs of the business and ensure a degree of continuity of operations.

As a first step, business owners will be invited to contact their primary financial institution to determine whether the program is appropriate for them.

Business owners can only apply to one financial institution, their primary lender.

If their primary lender is not participating in the program, only then may they apply via another financial institution.

Key Program Features

- Principles are broad access and predictable decisioning
- Loan amount between \$25,000 and \$1 million per legal entity
 - Maximum combined exposure of related legal entities of \$6.25 million
 - Loan proceeds cannot be used to pay down an existing debt/lease facility
- Up to 10-year repayment term
- 4% fixed interest rate
- Up to 12-month postponement of principal repayments at the start of the loan
- No personal guarantee will be taken to secure the loan
- Program will be available until June 30, 2021



www.capebretonpartnership.com

Adapted from BDC through the HASCAP presentation

To learn more, click [HERE](#)

CAPE BRETON PARTNERSHIP

Eligibility

An applicant business must:

- Be a commercial enterprise whose intent is to generate revenue from the sale of goods or services that is at least sufficient to cover its operating expenses and service its debt
- Have been financially stable and viable prior to the current economic environment
- Not have an impaired loan (as determined in accordance with International Financial Reporting Standards) as at March 1, 2020, or the eligible loan closing date
- Other conditions/requirements apply; see appendices

Adjudication criteria based on loan amount:

Segment 1

- Eligible loans between \$25,000 and \$100,000: Borrower (collectively with the other obligors, if required) meets the probability of default requirement prior to March 1, 2020

Segment 2

- Eligible loans between \$100,001 and \$250,000: Borrower (collectively with the other obligors, if required); (a) meets the probability of default requirement and (b) generated a minimum of \$500,000 in gross revenues in the 12-month period ending as at the date of the most recent annual financial statements of the relevant obligors prior to March 1, 2020

Segment 3

- Eligible loans between \$250,001 and \$1,000,000: Borrower (collectively with the other obligors, if required) meets the minimum debt service coverage ratio requirement of 1.10x (including the HASCAP and any other debt added since the year-end) as of the most recent financial statements of the relevant obligors prior to March 1, 2020 and has a minimum S&P CCC+ rating prior to March 1, 2020



www.capebretonpartnership.com

Adapted from BDC through the HASCAP presentation

To learn more, click [HERE](#)

CAPE BRETON PARTNERSHIP

Companies must also fall into one of the following categories:

- If your business has received the Canada Emergency Wage Subsidy (CEWS) or the Canadian Emergency Rent Subsidy (CERS)
 - You must provide Canada Revenue Agency attestation forms plus proof of payment equal to the subsidy amount on the attestation form demonstrating a minimum 50% revenue decline, for at least 3 months, within the 8-month period prior to the date of your HASCAP Guarantee applications.
 - Your financial institution will require this information to process your request.
- If your business did not receive CEWS or CERS and is eligible for it
 - You must apply for CEWS or CERS in order to provide Canada Revenue Agency attestation forms plus proof of payment equal to the subsidy amount on the attestation form demonstrating a minimum 50% revenue decline, for at least 3 months, within the 8-month period prior to the date of your HASCAP Guarantee applications.
 - Your financial institution will require this information to process your request.
- If your business does not qualify for CEWS or CERS
 - You must provide financial statements that reflect at least three months (which do not need to be consecutive) of monthly year-over-year revenue decrease of a minimum of 50% per month, within the 8-month period prior to the date of the HASCAP Guarantee application.
 - Your financial institution will require this information to process your request.



www.capebretonpartnership.com

Adapted from BDC through the HASCAP presentation

To learn more, click [HERE](#)