



BDC COVID-19 Working Capital Financing for Requests *OVER* \$100,000

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The BDC has just introduced a special loan to help businesses manage their working capital needs due to the economic uncertainty caused by COVID 19.

- Amount: A maximum loan amount of \$2 million dollars per client *and* closely related companies.
- Repayment: 3-year loan. The first 12 months are interest only (12-month initial principal postponement.) 40% of the principal is payable over the next 2 years at 20% per year. The remaining 60% of the principal is payable in a balloon payment at the end of the term.
- Interest: Variable BDC Base Rate – 1.75% or 3.30% currently. *To date, the Variable BDC Base Rate is 5.05% however, however this is subject to change at any time. No fixed rates.
- Security: To be confirmed; however, it may a General Security Agreement from the company and/or Personal Guarantees.
- Fees: Standard banking fees will apply. (e.g. Loan Application Fee, Annual Administration Fee, etc.) The Application Fee can be made through wire payment or deducted at first disbursement. A Legal Fee of \$500 will also apply, per loan multiple for legal documents.
- Documents Required:
 - Application and PNW Form: See attached. The Application form need only be completed once but signed by all owners of the company. The Statement of Personal Affairs should be completed by each owner of the company.
 - ID: Copy of Drivers License, front and back for all owners of the company. **Not applicable for existing clients.**
 - Ownership Chart: A breakdown of the ownership of the applicant company and related companies (if applicable.) **For existing clients, this is not required if an ownership chart is already on hand and there are have been no changes to ownership since receipt.**
- Financial Information:
 - Year End FS: Most recent 3-year financial statements. **Existing clients need only provide the outstanding statements.**
 - Interim FS: *If the Year-End Financial Statements are older than 3 months* then Interim Financial Statements at the most recent month-end with comparables from the previous year are required.
 - Projections and/or Cash Flow Forecast: The need and complexity for these documents depends on the company, its situation and the amount of money being borrowed. A 6-month cash flow forecast may be most applicable.



- The purpose is to understand the company's true cash needs for the next six months and understand how it anticipates it will meet its financial obligations.
- Info on Operations:
 - *Briefly* address the following questions. Some of these may not be relevant. Point form answers are fine:
 - Ø At what activity level do you anticipate operating at over the next six months? (i.e. full shut down or reduced capacity?) *For example, what are the main impacts on your activities? Complete or partial closure of your premises? Specialized staff/employees required? Access to premises: Are you and your employees working at a common workspace (if so, how many employees) or remote work?*
 - Ø What are the key carrying costs for the next 6 months? *For example, rent, insurance, electricity, salaries, financial fees, etc.*
 - Ø With a working capital loan from the BDC and support from other lenders does this cover your cash needs for the next six months? *What is your cash on hand and how much availability do you have on your business line of credit? Do you have other sources of funds available? Do you have the personal capacity to inject funds in addition to the BDC loan?*
 - Ø Who are your key suppliers and what are what agreements with these suppliers on payment terms/support for the next six months? *Have you undertaken these discussions/negotiations? What kind of access/availability of raw materials and inventory will you have over the next 6 months?*
 - Ø Who are your top five clients, what percentage do they make of your sales and what arrangements have you made with them for their repayment terms/support for the next six months?
 - Ø If there is a franchisor involved, have they suspended required payments?

Note that authorization may take a longer than normal given the backlog of requests being are processing as a result of COVID-19.

Also note that you can refer to a dedicated hub we have set up at bdc.ca/coronavirus regarding COVID-19. Information on our products and any future relief programs will be posted [here](#).

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