

---

**SUBJECT****COVID-19 - Canada Emergency Commercial Rent Assistance (CECRA)**

---

**ISSUE**

What is CMHC doing to help small businesses that have been impacted by the COVID19?

---

**RESPONSE**

- **We share the member's concern that small businesses need to be supported. We know that small businesses across the country are the backbone of our communities, and they are now facing significant challenges.**
- **That's why we've moved forward with a number of measures that are designed to be of assistance. The Canada Emergency Commercial Rent Assistance (CECRA) for small businesses will lower rent by 75 per cent for small businesses that have been affected by COVID-19.**
- **The program offers assistance to qualifying commercial property owners for the months of April, May and June 2020 and can be applied retroactively.**
- **CMHC will administer and deliver the CECRA and it is rolling out as of May 25.**
- **CECRA is only one program supporting businesses and it is intended to work in tandem with others, including the Canada Emergency Wage Subsidy (CEWS), which covers 75% of employee wages, and the Canada Emergency Business Account (CEBA), which provides partially forgivable, interest free-loans of up to \$40,000.**
- **As of May 13, there have been more than 35 000 individuals who signed up to received updates on CECRA.**

***If pressed on commercial property landlord refusing to apply for CECRA:***

- **Commercial property owner that have small business tenants struggling to make their rent due to the pandemic should apply to CECRA for small businesses. Applying for this program will help the property owner and the tenants.**
- **We urge property owners to provide flexibility to tenants facing hardship in this uncertain time.**

- **CECRA for small businesses is also available to property owners who do not hold a mortgage.**
- **A property owner's success depends on the success of their small business tenants. It also provides their tenants with breathing room to recover and remain viable post-crisis.**
- **If a tenant declares bankruptcy and is evicted, the property owner will receive zero rental income, will have to continue to pay the property's costs, incur additional costs for 6 to 18 months while they find a new tenant and risk having to settle for a lower rent post-pandemic.**

***If pressed on details of the CECRA :***

- **The program will provide forgivable loans to qualifying commercial property owners to 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 mortgaged property owner agrees to reduce the eligible small business tenants' rent by at least 75 per cent for the three corresponding months under a rent forgiveness 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 paying less than \$50,000 per month in rent and who have temporarily ceased operations or have experienced at least a 70 per cent drop in pre-COVID-19 revenues. This support will also be available to non-profit and charitable organizations.**

<b>Prepared by Préparé par</b>	<b>Approved by Approuvé par</b>	<b>Lead Sector(s) Secteur responsable</b>	<b>Date/Docket Number Date/N° du fichier</b>
Hugo P. Fontaine Parliamentary Affairs CMHC/ Affaires parlementaires, SCHL 613-748-2895	Derek R. Antoine Manager / Gestionnaires Parliamentary Affairs CMHC/ Affaires parlementaires, SCHL 613-748-2455	Client Solutions & Operations	May 21, 2020 QP200794