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## COVID-19: CECRA for Small Businesses

CECRA for small businesses helps commercial property owners pay mortgages and reduce tenant rent.

Canada Emergency Commercial Rent Assistance (CECRA) for small businesses provides much needed relief for small businesses experiencing financial hardship due to COVID-19. It offers forgivable loans to eligible commercial property owners so that they can reduce the rent owed by their impacted small business tenants by at least 75% for the months of April, May and June, 2020.

### WHO IS ELIGIBLE TO APPLY FOR THE CECRA FOR SMALL BUSINESSES PROGRAM?

To qualify for CECRA for small businesses, the property owner must meet the following requirements:

- You own property that generates rental revenue from commercial real property located in Canada.
- You are the property owner of the commercial real property where the impacted small business tenants are located.
- You have a mortgage loan secured by the commercial real property, occupied by one or more small business tenants.\*
- You have entered or will enter into a rent reduction agreement for the period of April, May, and June 2020, that will reduce impacted small business tenant's rent by at least 75%.

- Your rent reduction agreement with impacted tenants includes a moratorium on eviction for the period of April, May and June 2020.
- You have declared rental income on your tax return (personal or corporate) for tax years 2018 and/or 2019.

*\* For those property owners who do not have a mortgage, an alternative mechanism will be implemented. Further information will be outlined in the near future.*

### **CECRA for small businesses is applicable to commercial property owners with:**

- eligible small business tenants
- eligible small business subtenants
- residential components and multi-unit residential properties with commercial tenants (i.e. mixed usage)

### **What is an impacted small business tenant or subtenant?**

Impacted small business tenants are businesses, including non-profit and charitable organizations who:

- pay no more than \$50,000 in monthly gross rent per location (as defined by a valid and enforceable lease agreement),
- generate no more than \$20 million in gross annual revenues, calculated on a consolidated basis (at the ultimate parent level), and
- have temporarily ceased operations (i.e. generating no revenues), or has experienced at least a 70% decline in pre-COVID-19 revenues.\*\*

*\*\* To measure revenue loss, small businesses can compare revenues in April, May and June of 2020 to that of the same month of 2019. They can also use an average of their revenues earned in January and February of 2020.*

### **HOW DOES THE CECRA FOR SMALL BUSINESSES PROGRAM WORK?**

CMHC administers the program on behalf of the Government of Canada and our provincial and territorial partners.

**The program offers assistance for the months of April, May and June, 2020.**

- **It can be applied retroactively.**

- **Property owners may still apply for assistance once the 3-month period has ended if they can prove eligibility during those months.**
- **Property owners must refund amounts paid by the small business tenant for the period.\***

\*If rent has been collected at the time of approval, a credit to the tenant for a future month's rent (i.e. July for April) is acceptable if agreed upon by both the property owner and the tenant. This can be a flexible 3-month period.

**The deadline to apply is August 31, 2020.**

CMHC will provide forgivable loans to eligible commercial property owners.

- The loans will cover 50% of the gross rent owed by impacted small business tenants during the 3-month period of April, May and June 2020.
- The property owner will be responsible for no less than half of the remaining 50% of the gross rent payments (paying no less than 25% of the total).
- The small business tenant will be responsible for no more than half of the remaining 50% of the gross rent payments (paying no more than 25% of the total).

**Note:** If you are a tenant and struggle to pay your portion, alternate programs are available to assist you.

CECRA for small businesses loans will be forgiven if the property owner complies with all applicable program terms and conditions including to not seek to recover rent abatement amounts after the program is over.

## **How do I apply for the CECRA for small businesses program?**

Program details including how funds will be disbursed and how to apply are being finalized and will be available soon.

Sign up below and we'll let you know when more details are available and when the application process opens.

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**First name (required)**

**Last name (required)**

**E-mail (required)**

**I am a...**

- ☐ Property Owner / Landlord
- ☐ Small Business Owner
- ☐ Non-profit / Charity
- ☐ Lender / Broker
- ☐ Realtor / Real Estate Agent
- ☐ Province / Territory
- ☒ Municipality
- ☐ Government
- ☐ Indigenous governments / organizations
- ☐ Lawyer / Legal Counsel
- ☐ Other

☐ By submitting this form, I consent to receive CMHC's e-newsletters, housing information and promotional messages, and can withdraw consent at any time.

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## Related Programs:

- If you aren't a commercial property owner, [Mortgage Payment Deferral](#) may be what you're looking for.
- See recent [CMHC updates about COVID-19](#).

**Still have questions about the CECRA?**

**1-800-668-2642**

**[CECRA@cmhc.ca](mailto:CECRA@cmhc.ca)**

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