

Canada Small Business Financing Program: Eligibility & How To Apply

If you need help to start or grow your business, the Canada Small Business Finance Program (CSBFP) helps small businesses get approved for loans by sharing the risks with the lending financial institutions.

According to official reports, CSBFP has helped more than 53,000 small businesses to buy or improve their business assets. In the last decade alone, CSBFP loans totalled over \$10 billion.

Key Takeaways

- Whether you are a startup or an established small business, you can get a term loan of up to \$1 million and a maximum line of credit of \$150,000 through the Canada Small Business Finance Program.
- This federal government program helps small businesses qualify for increased loans and better loan repayment conditions to finance their companies or business equipment.
- However, it's still up to the financial institution or lender to approve or decline your loan request since it's their money and not the government's.

Canada Small Business Financing Program Overview

Industry Canada established the [Canada Small Business Financing Program](#) in 1961. It was created to smoothen the process of getting loans from financial institutions by sharing the risk with the lenders.

The CSBFP is meant to help new and established small businesses. You apply for the loan through your usual lenders like [Bank of Montreal](#) or ATB Financial, and the government acts as your guarantor. Depending on the assets you want to finance, your bank will then determine if CSBFP is right for you.

Also, it's the bank's obligation to register your loan with Innovation, Science and Economic Development (ISED) Canada to ensure it's covered. However, keep in mind that not all banks participate in this program, and it's up to individual lenders to decide if they want to join the [list of lenders](#) participating in the CSBFP.

How Much You Can Receive From the Canada Small Business Financing Program

The maximum amount you can receive under the Canada Small Business Financing Program is \$1.15 million, which includes \$1 million for term loans and \$150,000 for lines of credit.

However, it's up to you to negotiate with the lender to get the right amount for your business. You can access loans under the CSBFP through banks, credit unions, and caisses populaires, among other financial institutions.

