

April 16, 2020

The Honourable Bill Morneau  
Minister of Finance, Government of Canada  
90 Elgin Street  
Ottawa, Ontario K1A 0G5

**RE: Access to capital during the COVID-19 pandemic**

Dear Minister Morneau,

Thank you for your continued leadership during the COVID-19 pandemic and continuing to listen, respond and adapt to Canadians and Canadian business. As the situation evolves, the Ontario Chamber of Commerce (OCC) is receiving concerns from the business community and communicating them to all levels of government.

For several years, access to capital has been a major limitation to Canadian business competitiveness, but the COVID-19 crisis has added great urgency. The OCC appreciates the actions your government is taking to facilitate access to capital for employers, particularly small businesses lacking sufficient liquidity to withstand the unprecedented losses in revenue. Earlier today, we were pleased to see an expansion to the payroll eligibility criteria for the Canada Emergency Business Account, a recommendation we had previously made.

In addition, we would like to offer the following recommendations:

- **Provide additional liquidity to asset-based finance (ABF) lenders.** The ABF sector is a major source of capital for Canadian businesses and has a track record of relatively low delinquencies. We recommend reinstating the Canadian Secured Credit Facility, previously introduced in response to the 2008 financial crisis. This would allow the Business Development Bank of Canada (BDC) to temporarily inject liquidity into the ABF sector. The BDC should provide ABF lenders with loan guarantees and competitive terms consistent with what other lenders receive.
- **Support ABF lenders offering temporary deferrals on loan and lease repayments.** With many small businesses requesting payment deferrals, the federal government should support ABF lenders by providing them guarantees for these deferred payments.
- **Offer temporary deferrals on payments to the Canada Small Business Finance Program (CSBFP).** This would extend existing deferrals previously introduced for mortgages and help provide businesses with essential short-term liquidity.
- **Amend the CSBFP to support long-term recovery.** Past crises have shown that small businesses, including franchised businesses, are often at the forefront of economic recovery after a recession. To create the conditions for their origination and growth, we recommend expanding the CSBFP to include soft costs such as training, franchise fees, and some working capital as eligible expenses under the program.

Public health and safety are priorities for all Ontario businesses. We will continue to monitor and assess new developments pertaining to COVID-19 closely and work with our members, partners, and all levels of government to provide support to Ontario business.

Sincerely,



Rocco Rossi  
*President and CEO*  
*Ontario Chamber of Commerce*

CC: The Honourable Mary Ng, Minister of Small Business, Export Promotion and International Trade,  
Government of Canada