

Business Credit Availability Program (BCAP)

Overview of Mid-Market Financing Program

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- This program is part of the Business Credit Availability Program (BCAP) that provides support to Canadian businesses directly or indirectly impacted by COVID-19 and/or the recent decline in oil and gas prices.
- It aims to support Canadian medium-sized companies in all industries, including oil and gas, whose credit needs exceed what is already available under other BCAP lending streams.
- These junior loans will be done jointly with the business' primary lender or lending syndicate.
- Eligible companies must have been financially stable and viable prior to current economic situation.
- Interested medium-sized business owners are encouraged to speak with their primary lender who can assess if the program is appropriate for them. The primary lender will then communicate with BDC regarding next steps.

Mid-Market Financing Program

Purpose	Bring operational liquidity and cashflow to medium-sized companies negatively impacted directly or indirectly by the COVID-19 pandemic and/or by the recent decline in oil and gas prices.	
Facility Type/ Government Support	<ul style="list-style-type: none"> Term Loan done jointly with the business' primary lender or lending syndicate. 	
Key Considerations	<ul style="list-style-type: none"> Business must be Canadian and have been impacted directly or indirectly by COVID-19 and/or recent decline in oil prices. Eligible companies must have annual revenues in excess of approximately \$100 million and up to \$500 million. 	
Loan Amount	<ul style="list-style-type: none"> To be sized based on liquidity requirements for a 12-month period and an assessment of ability to repay in a normal market and business environment. 	
	Min loan amount	\$12.5 million
	Max loan amount	\$60 million
	BDC participation	90% of loan amount
	Primary lender or lending syndicate	10% of loan amount
Term	<ul style="list-style-type: none"> 48 months. 	
Repayment Terms	<ul style="list-style-type: none"> 100% at maturity. Interest payments for the first 12 months will be capitalized and due at maturity, and paid monthly thereafter. 	
Interest Rates & Fees	<ul style="list-style-type: none"> Priced higher than the business' senior operating and term facilities, along with annual increases to interest rate. Upfront fees of 1.25%, with half payable upon acceptance of term sheet and the other half payable at close, with additional fees paid at each anniversary date on outstanding amounts. 	

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Conditions	<ul style="list-style-type: none">• Proceeds are to be incremental to business' senior credit commitments.• Restrictions include but are not limited to no shareholder withdrawals, increase in management compensation, share buybacks and no increase in dividends.
Subordination	<ul style="list-style-type: none">• To be secured by the business' assets and its subsidiaries as granted in favour of the Senior Lender.• Loan will rank after the existing senior operating and term facilities made available but ahead of any future facilities (including amendments to existing facilities which have the effect of increasing the principal amount).
Administration/ Process	<ul style="list-style-type: none">• Interested medium-sized business owners are encouraged to speak with their primary lender who can assess if the program is appropriate for them.• The primary lender will then communicate with BDC regarding next steps.• Subject to underwriting and approval by BDC and the primary lender(s) or lending syndicate(s).

Related links:

- Other BDC COVID-19 measures: www.bdc.ca/coronavirus
- EDC COVID-19 measures: <https://www.edc.ca/en/campaign/coronavirus-covid-19.html>
- BCAP: <https://www.canada.ca/en/department-finance/programs/financial-sector-policy/business-credit-availability-program.html>