

Canada Emergency Commercial Rent Assistance (CECRA) Extended

July 3, 2020

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On April 16, 2020, Prime Minister Justin Trudeau introduced the Canada Emergency Commercial Rent Assistance (CECRA) program to deliver more than \$900 million in urgent rent relief to small businesses and help landlords and tenants endure the impact of the COVID-19 pandemic. [As previously reported](#), following the example of British Columbia, Alberta and Saskatchewan, the Ontario government has tried to give landlords more incentive to apply for the CECRA program by implementing the *Protecting Small Business Act, 2020*, which prohibits landlords, from evicting tenants or exercising distress against tenants who are or would be eligible to receive assistance from the CECRA program, before September 1, 2020.

Although there has been some criticism of the CECRA program and an underwhelming number of applications, on June 30, 2020 Finance Minister Bill Morneau announced that CECRA will be extended by one month to reduce eligible small businesses' rent for July in order to offer further support and hopefully ensure businesses' post-pandemic recovery, as well as, allow property owners to maintain rental income and keep tenants in their commercial properties as the economy gradually restarts.

Although the details of the extension and its administration are still being finalized, the government and CMHC have provided the following information:

- Participation in the one-month extension of relief under the CECRA program is voluntary. Applicants who have already applied and new applicants are both able to opt into the July rent relief. As such, new applicants now have the choice of applying for the program for the original three month period (i.e. April, May and June) or for the four month period (i.e. April, May, June and July). If an applicant has already applied, not all tenants in the original application need to be included in the application for the July extension.
- In order to qualify to receive rent relief for July, the applicant does not need to prove that its revenues have declined 70% in July – once a tenant has qualified for the CECRA program based on the original program requirements (being a 70% revenue decline for April, May and June 2020), then such tenant shall be automatically qualified to receive rent relief for July 2020.
- Similar to the original program parameters, applications must be for the entire three month period (i.e. April, May and June) with an option to opt-in for July; an application still cannot be for only part of the three or four month period. Tenants must meet the eligibility requirements for the entire three month period, it is still an “all or nothing” scenario.
- Applications are still due by August 31, 2020 for applicants who have not applied for the program yet, however, applicants who have already applied have until September 14, 2020 to apply for the July extension. The opt-in for July is still not available on the application portal as of July 2, 2020; but will hopefully be available in the next few days.
- To simplify the application process, CMHC is removing the requirement to claw-back insurance proceeds and non-repayable proceeds received by the property owner or tenant from existing rental support programs or other abatements provided by any level of government, if applicable, from the CECRA forgivable loan amount for both existing and new applicants. Applicants who have already applied and are affected by this change will be notified and will have any previously clawed-back amounts restored to their forgivable loan.

Further details of the July extension including how these additional funds will be disbursed, the new documentation required and how to apply are being finalized and will be available soon, and individuals can [sign up](#) to receive these details as they become available on the CMHC website.

The information and comments herein are for the general information of the reader and are not intended as advice or opinion to be relied upon in relation to any particular circumstances. For particular application of the law to specific situations, the reader should seek professional advice.

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