

## **COVID-19 – Capital Treatment of Highly Affected Sectors Credit Availability Program**

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**DISTRIBUTION: CFOs and Finance Managers, BC Credit Unions**

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This advisory details the capital treatment and the regulatory reporting requirements for eligible loans under the Highly Affected Sectors Credit Availability Program (“HASCAP”).

On January 26, 2021, the Government of Canada announced a new loan guarantee program, HASCAP, which aims to assist businesses most affected by the COVID-19 pandemic by ensuring access to additional financing. Through HASCAP, the Business Development Bank of Canada (“BDC”) will work with participating Canadian financial institutions to offer 100 per cent net loss government-guaranteed, low-interest loans of up to \$1 million. More information about this program is available at [BDC HASCAP](#).

For reporting purposes, BCFSA expects B.C. credit unions participating in the HASCAP to treat eligible loans as commercial government-guaranteed loans based on the BDC guarantee. The guaranteed loan would receive the risk weight applicable to the Government of Canada as the guarantor (i.e., zero per cent).

We encourage credit unions to maintain regular communication on relevant matters with their BCFSA Relationship Manager. Specific questions or comments on this Advisory can also be addressed to Rebecca Lowrey, Director of Financial Reporting and Standards, by email at [Rebecca.Lowrey@bcfsa.ca](mailto:Rebecca.Lowrey@bcfsa.ca) or by phone at 604-218-9023.