

The Small Business Loans Association Program Regulations

being

Chapter D-12.11 Reg 1 (effective April 12, 1995) as amended by an [Errata Notice, dated May 5, 1995](#) and Saskatchewan Regulations [20/1999](#), [34/2004](#), [87/2005](#), [45/2012](#), by the *Statutes of Saskatchewan*, [2000, c.50](#) and [30/2014](#).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER D-12.11 REG 1

The Department of Economic Development Act, 1993

Title

1 These regulations may be cited as *The Small Business Loans Association Program Regulations*.

Interpretation

2 In these regulations:

- (a) **“association”** means an eligible association enrolled in the program pursuant to section 6 and includes an association mentioned in section 17;
- (b) **“eligible association”** means any corporation or authority mentioned in section 4;
- (c) **“eligible business”** means a new or existing business in Saskatchewan, other than a charitable organization, that has experienced difficulty in obtaining financing through traditional means and includes an eligible business mentioned in section 17;
- (d) **Repealed.** 6 Jly 2012 SR 45/2012 s3.
- (e) **“program”** means the Small Business Loans Association Program established pursuant to section 3;
- (f) **“regional economic development authority”** means a corporation that may consist of representatives from local governments, community economic development organizations, businesses, co-operatives and other groups or bodies, that have agreed to co-ordinate their efforts and combine their resources to address economic development in a particular region in a co-operative and co-ordinated fashion;
- (g) **“rural development corporation”** means a rural development corporation within the meaning of *The Rural Development Act*;
- (h) **“traditional farming”** means the production of grain, cattle and pigs for sale.

21 Apr 95 cD-12.11 Reg 1 s2; 6 Jly 2012 SR
45/2012 s3; 23 May 2014 SR 30/2014 s3.

Program established

3(1) The Small Business Loans Association Program is established.

(2) The purpose of the program is to provide money to associations to enable those associations to make loans to eligible businesses in order to:

- (a) provide economic development opportunities for those eligible businesses;
and
- (b) enhance the economic status of women and other persons involved in eligible businesses.

21 Apr 95 cD-12.11 Reg 1 s3.

Eligible associations

- 4 The following are eligible associations:
- (a) a corporation with four or more shareholders or members all of whom:
 - (i) share a common business interest or the same location; and
 - (ii) have incorporated for the purposes of the program;
 - (b) a regional economic development authority;
 - (c) a rural development corporation.

21 Apr 95 cD-12.11 Reg 1 s4.

Application for enrolment in the program

- 5(1) An eligible association may apply to the minister to be enrolled in the program.
- (2) An eligible association that applies to be enrolled in the program is to provide the minister with:
- (a) information respecting the eligible businesses to which the association proposes to make loans; and
 - (b) any other information respecting the nature of the loans, the eligible businesses and the association that the minister may require.

21 Apr 95 cD-12.11 Reg 1 s5.

Enrolment of association in the program

- 6(1) Where the minister is satisfied that an association that has applied to be enrolled in the program is an eligible association, the minister may enrol the eligible association in the program.
- (2) The minister may impose any terms on an association's participation in the program that the minister considers appropriate.
- (3) No association shall fail to comply with any terms imposed by the minister.

21 Apr 95 cD-12.11 Reg 1 s6.

Application by eligible business

- 7(1) An eligible business may apply to an association for a loan pursuant to the program.
- (2) Where an association approves an application from an eligible business for a loan, the association shall apply to the minister, on a form provided by the minister, for an advance of money for the purpose of making the loan.
- (3) An association shall include the following with the application:
- (a) a general security agreement between the eligible business and the association;
 - (b) a demand promissory note executed by the eligible business;

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- (c) a repayment schedule that is satisfactory to the association;
- (d) **Repealed.** 11 Jne 2004 SR 34/2004 s3.
- (e) an application form signed by the eligible business;
- (f) **Repealed.** 23 May 2014 SR 30/2014 s4.
- (g) any other information or material the minister may require.

21 Apr 95 cD-12.11 Reg 1 s7; 11 Jne 2004 SR
34/2004 s3; 16 Sep 2005 SR 87/2005 s3; 23 May
2014 SR 30/2014 s4.

Restriction on loans

8(1) An association shall not approve a loan to an eligible business for any of the following purposes:

- (a) multi-level marketing schemes;
- (b) direct sales as defined in *The Direct Sellers Act*;
- (c) traditional farming;
- (d) purchasing residential real estate;
- (e) exploring for minerals;
- (f) repaying an existing debt or outstanding account of the eligible business, except for a current debt with respect to a loan granted pursuant to the program;
- (g) paying operating expenses of the business;
- (h) subject to subsection (1.1), purchasing the interests of a person involved in the eligible business where that person is a relative of another person in the eligible business.

(1.1) On the prior, written application of an association to the minister and if the minister is satisfied that it is not contrary to the public interest to do so, the minister may approve a loan by the association for a purpose described in clause (1)(h).

(2) The total of all outstanding loans to an eligible business pursuant to the program is not to exceed \$20,000.

21 Apr 95 cD-12.11 Reg 1 s8; 7 May 99
SR 20/1999 s3; 11 Jne 2004 SR 34/2004 s4; 16
Sep 2005 SR 87/2005 s4; 6 Jly 2012 SR 45/2012
s4; 23 May 2014 SR 30/2014 s5.

Advance of money to association

9(1) Where the minister approves an application from an association for an advance of money for the purpose of making a loan, the minister may advance the money to the association.

(2) The total of all outstanding advances to an association by the minister is not to exceed \$600,000.

- (3) The total of all advances to all associations that the minister may approve is not to exceed \$50,000,000.
- (4) No interest is to be charged to an association by the minister on money advanced to an association by the minister pursuant to the program.
- (5) No money is to be advanced to an association where that association has failed to provide to the minister any information required by these regulations or by the minister pursuant to these regulations.

21 Apr 95 cD-12.11 Reg 1 s9; 7 May 99
SR 20/1999 s4; 11 Jne 2004 SR 34/2004 s5; 23
May 2014 SR 30/2014 s6.

Reports to minister

10(1) An association shall provide the minister with any reports the minister requests respecting:

- (a) the business of the association;
- (b) the eligible businesses the association has loaned money to;
- (c) the terms and status of outstanding loans made by the association; and
- (d) any other matter the minister considers necessary.

(2) A report to the minister is to be provided within the time requested by the minister.

21 Apr 95 cD-12.11 Reg 1 s10.

Inspections

11 An association shall make its books and records available for inspection by the minister.

21 Apr 95 cD-12.11 Reg 1 s11.

Repayment by eligible business

12(1) An eligible business shall repay to an association any amount borrowed from an association within the lesser of:

- (a) five years; and
- (b) any period agreed to by the association and the eligible business.

(2) An eligible business that receives a loan from an association is to repay that loan with interest at the lesser of:

- (a) the rate agreed to by the eligible business and the association; and
- (b) 10% per year.

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(3) Any amount received by an association, other than interest, from an eligible business on account of a loan is to be remitted to the minister as soon as practicable.

(4) Interest earned on a loan may be retained by the association and used for any purpose the association considers appropriate other than for making loans.

21 Apr 95 cD-12.11 Reg 1 s12.

Minister may enforce security

13(1) Where an eligible business fails to repay a loan to an association in accordance with the terms of the loan, the minister may direct the association to assign the loan and any security taken for the loan to the minister.

(1.1) Where a loan is assigned to the minister pursuant to subsection (1), the loan is repayable to the minister in accordance with the terms of the loan and the minister may retain any of the outstanding principal and interest that the minister recovers.

(2) The minister may take any steps that the minister considers appropriate to collect a loan or enforce any security assigned to the minister by an association.

21 Apr 95 cD-12.11 Reg 1 s13; 7 May 99
SR 20/1999 s5.

False or misleading statement

14(1) Where, in the opinion of the minister, an association has knowingly made a false or misleading statement on any form or in any information or document provided to the minister pursuant to these regulations or the association has failed to comply with these regulations, the minister may:

- (a) cancel the enrolment of the association in the program; and
- (b) declare that any money advanced to the association pursuant to the program is an overpayment to that association.

(2) The minister shall not cancel the enrolment of an association without giving the association an opportunity to be heard.

(3) Notwithstanding subsection (2), where the minister considers it necessary to protect the public interest, the minister may cancel the enrolment of an association without giving the association an opportunity to be heard, but shall give the association an opportunity to be heard within 15 days of the cancellation.

21 Apr 95 cD-12.11 Reg 1 s14.

Recovery of overpayment

15 Where for any reason an association has received an overpayment pursuant to the program or the minister, pursuant to section 14, has declared that an association has received an overpayment, the amount of the overpayment is a debt due to the Crown in right of Saskatchewan.

21 Apr 95 cD-12.11 Reg 1 s15.

16 Repealed. 2000, c.50, s.34.

Transition

17(1) In this section, “**SEDCO**” means Saskatchewan Economic Development Corporation constituted pursuant to section 3 of *The Industrial Development Act* as that Act existed on the coming into force of these regulations.

(2) Where, prior to the coming into force of these regulations, an agreement was entered into between SEDCO and an association pursuant to the Small Business Loans Association Program administered by SEDCO:

(a) that association is deemed to be an association pursuant to these regulations; and

(b) any activity that took place pursuant to that program respecting that association is deemed to have taken place pursuant to these regulations.

(3) Where, prior to the coming into force of these regulations, an agreement was entered into between an association mentioned in subsection (2) and an eligible business pursuant to the Small Business Loans Association Program administered by SEDCO:

(a) that eligible business is deemed to be an eligible business pursuant to these regulations; and

(b) any activity that took place pursuant to that program respecting that eligible business is deemed to have taken place pursuant to these regulations.

21 Apr 95 cD-12.11 Reg 1 s17.