

# SBA To Provide Economic Injury Disaster Loans For Coronavirus Related Economic Disruptions



U.S. Small Business  
Administration

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# SBA's Disaster Declaration Makes Loans Available Due to the Coronavirus (COVID-19)

The U.S. Small Business Administration (SBA) is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provide by the Coronavirus Preparedness and Response Supplement Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.



*Administrator Jovita Carranza*

# SBA's Economic Injury Disaster Loan Basics

## SBA's Economic Injury Disaster Loans

- Loans (or working capital loans) are available to small businesses
- small agricultural cooperatives
- small aquaculture businesses and most private non-profit organizations

## What businesses are eligible to apply? This includes:

- Businesses directly affected by the disaster and all supply chain businesses directly or indirectly related to the industry that are likely to be harmed
- Example: Manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product

# SBA's Economic Injury Disaster Loan Basics

Some examples of eligible industries?

- Includes but are not limited to: hotels, recreational facilities, charter boats, manufacturers, sports vendors, owners of rental property, restaurants, retailers, souvenir shops, travel agencies, and wholesalers.



Other criteria is involved?

- The applicant business **must** have a **physical presence** in the declared disaster area. An applicant's economic presence alone in a declared area does not meet this requirement. The physical presence must be tangible and significant. Merely having a P.O. Box in the disaster area would not qualify as a physical presence



# SBA's Economic Injury Disaster Loan Terms

Maximum Loan Amount : Statutory Maximum of **\$2 million**.

- Personal Guarantees :
- Under \$200,000.00 None required
- Over \$200,000.00 Required

Fixed interest rates for this disaster are

- 3.75 percent for small businesses and
- 2.75 percent for nonprofit organizations

Terms: with terms up to 30 years.

- Maximum amortization for 30 years

Eligibility for these **working capital loans** are based on the definition of size (must be a small business) and type of business & it's financial resources.

- To check size standards, visit <https://www.sba.gov/document/support--table-size-standards>.

Proceeds

- Funding Directly from the U.S. Treasury

# SBA's Economic Injury Disaster Loan Terms

How can  
I use the  
loan  
funds?

- These working capital loans may be used to meet
- Payroll costs including sick leave
- Accounts payable
- Pay fixed debts
- Material costs
- Rent or Mortgage payments
- Pre-existing debt
- The loans are not intended to replace lost sales or profits or for expansion.

# SBA's Working Capital Loans

Apply: [www.covid19relief.sba.gov](http://www.covid19relief.sba.gov)

Six Months of Working Capital deposited after approval into the applicant's bank account.

- NO Real estate collateral for under \$500,000.00

Collateral

- General UCC-1 filing on business assets

There is No cost to apply,  
NO points, NO Closing Costs, NO Prepayment Penalty

- \$100 UCC -1 fees

1st payment due in 12 months.

There is no obligation to take the loan if offered.

Applicants can have an existing SBA Disaster Loan and still qualify for an EIDL for this disaster, but the loans cannot be consolidated.



## SBA Economic Injury Disaster Loan (EIDL) 7b Advance

### Advance Facts & Requirements

- Applicants are eligible for an advance of up to \$10,000 that may be requested immediately
- No requirement to repay advance, even if denied for a disaster loan
- If someone has already submitted an EIDL application, they must reapply using the new streamlined application and check the box for the advance as well because the advance was not previously available.

#### Document Requirements

- No documents required



# Economic Injury Disaster Loans

## Ineligible Uses of EIDL Loan Proceeds (cont.)

Refinancing long term debt.

Paying down or paying off loans provided, guaranteed, or insured by another Federal agency or a Small Business Investment Company.

Payment of any part of a direct Federal debt, (including SBA loans) except IRS obligations.

If a direct Federal debt is delinquent, SBA must have written documentation from the appropriate Federal agency explaining how the delinquency will be cured.

# SBA's Economic Injury Disaster Loan Basics

## What is the criteria for a loan approval?

- Credit History-Applicants must have a credit history acceptable to SBA.



- Repayment—SBA must determine that the applicant business has the ability to repay the SBA loan.

## Eligibility-

- The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons.



Website: <https://www.covid19relief.sba.gov>

# Disaster Loan Applications

*Find out how to apply for SBA Disaster loans*

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## Content

[Economic Injury Disaster Loans and Loan Advance](#)

[Home Loans or Sole Proprietor Loans](#)

[Mailing instructions](#)

[Useful links](#)

[Get help](#)

# Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

## COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

### STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

### ELIGIBLE ENTITY VERIFICATION

#### Choose One:

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

# Certifications

## Review and Check All of the Following:

Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

- Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
- Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- Applicant is not in the business of lobbying.
- Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

If you have questions about this application or problems providing the required information, please contact our Customer Service Center at [1-800-659-2955](tel:1-800-659-2955) or (TTY: [1-800-877-8339](tel:1-800-877-8339)) [DisasterCustomerService@sba.gov](mailto:DisasterCustomerService@sba.gov).

# Economic Injury Disaster Loans and Loan Advance

Businesses in designated disaster areas are now eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.

- Applicants are eligible for an advance of up to \$10,000 that may be requested immediately
- No documents required

The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue.

- No requirement to repay advance, even if denied for a disaster loan.

Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

- If someone has already submitted an EIDL application, they must reapply using the new streamlined application and check the box for the advance as well because the advance was not previously available

# Customer Service

Disaster loan information may be obtained by calling the

- **SBA's Customer Service Center at**

(For the deaf and hard-of-hearing)

- **800-659-2955**
- (800-877-8339 for the deaf and hard-of-hearing)

or by sending an email to

- [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

# Scams, Phishing, and Hacks



U.S. Small Business  
Administration

## A Message from the SBA

- The scammers, phishing and hackers are in full swing.
- Please do not click on any links from individuals with whom they are not familiar.
- There is no fee to apply for an SBA EIDL.
- There is no one who can speed up the process for clients.
- All applications are assigned and processed in order of receipt.



# SBA Economic Injury Disaster Loan (EIDL) 7b



## Step 2– Business Information

4. Complete Business Information Section and click Continue. All sidebars must be green to continue.

Progress bar with icons for: DISCLOSURES, BUSINESS INFORMATION (highlighted), BUSINESS OWNERS INFORMATION, ADDITIONAL INFORMATION, and SUMMARY.

Step 1 of 3  
**Business Information**

Business Legal Name \*

Trade Name \*

EIN/SSN for Sole Proprietorship \*

Organization Type\*

Is the Applicant a Non-Profit Organization? \*  
 Yes  No

Is the Applicant a Franchise? \*



Step 2– Business Information

**Is the Applicant a Non-Profit Organization?**  
 Yes  No

**Is the Applicant a Franchise?**  
 Yes  No

**Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) \***  
[Text Input Field]

**Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) \***  
[Text Input Field]

**Rental Properties (Residential and Commercial) Only - Rent Receipts Due to the Disaster**  
[Text Input Field]

**Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)**  
[Text Input Field]

**Combined Annual Operating Expenses for the Twelve(12) Months Prior to the Date of the Disaster (January 31, 2020) for All Secular Social Services Provided by the Faith-Based Entity**  
[Text Input Field]

**List the Secular Social Services Provided by the Faith-Based Entity**  
[Text Input Field]

**Compensation from Other Sources Received as a Result of the Disaster**  
[Text Input Field]

**Provide Brief Description of Other Compensation Sources**  
[Text Input Field]

**Primary Business Address (Cannot be P.O. Box) \***  
[Text Input Field]

**City \***  
[Text Input Field]

**State \***  
[Dropdown Menu]

**Country**  
[Text Input Field]

**Zip \***  
[Text Input Field]

**Business Phone \***  
[Text Input Field]

**Alternative Business Phone**  
[Text Input Field]

**Business Fax**  
[Text Input Field]

**Business Email \***  
[Text Input Field]

**Date Business Established \***  
mm/dd/yyyy [Text Input Field]

**Current Ownership Since \***  
mm/dd/yyyy [Text Input Field]

**Business Activity \***  
[Dropdown Menu]

**Detailed Business Activity \***  
[Text Input Field]

**Number of Employees (as of January 31, 2020) \***  
[Text Input Field]

[Next >](#)



# Questions?



More information about EIDLs, visit [www.sba.gov/disaster](http://www.sba.gov/disaster).

For assistance with your EIDL Application, please email [wbrc@urbanleaguela.org](mailto:wbrc@urbanleaguela.org) to be connected with a Business Advisor.