

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



U.S. Small Business  
Administration

# 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

## What businesses are eligible to apply?

SBA's Economic Injury Disaster Loans (or working capital loans) are available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations

## This includes:

- Businesses directly affected by the disaster
- Businesses that offer services directly related to the businesses in the declaration
- Other businesses indirectly related the industry that are likely to be harmed by losses in their community  
(Example: Manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product.)



# SBA's Economic Injury Disaster Loan Terms

## How much can I borrow?

Eligible entities may qualify for loans up to \$2 million.

The interest rates for this disaster are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms up to 30 years.

Eligibility for these working capital loans are based on the size (must be a small business) and type of business and its financial resources.

Amount is based on loss... expected to start at 6 mo. of eligible loss

1 yr deferment on 1<sup>st</sup> payment, no prepayment penalty

## How can I use the loan funds?

These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or for expansion or to refinance long-term debt.

# Economic Injury Disaster Loan Terms



## What are the collateral and additional requirements?

- Economic Injury Disaster Loans over \$25,000 require collateral.
- SBA takes real estate as collateral when it is available.
- SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available.
- Borrower is scored and personal guaranty is required

# SBA's Economic Injury Disaster Loan Basics

## What kinds of small businesses can apply?

Examples of eligible industries include but are not limited to the following: hotels, recreational facilities, charter boats, manufactures, sports vendors, owners of rental property, restaurants, retailers, souvenir shops, travel agencies, and wholesalers.



## What 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 Working Capital Loans are Different from Other SBA Loans

SBA's Economic Injury Disaster Loan (EIDLs) funds come directly from the U.S. Treasury.

Applicants do not go through a bank to apply. Instead apply directly to SBA's Disaster Assistance Program at: [DisasterLoan.sba.gov](https://DisasterLoan.sba.gov)

There is no cost to apply.

There is no obligation to take the loan if offered.

The maximum unsecured loan amount is \$25,000.

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



# Basic Filing Requirements

- Completed SBA loan application (SBA Form 5).
- Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates. (Must Match FITR)
- \*Complete copies of the most recent Federal Income Tax Return (FITR).
- Schedule of Liabilities (SBA Form 2202).
- Personal Financial Statement (SBA Form 413).

Other Information may also be requested.

*\*Although a paper application and forms are acceptable, filing electronically is easier, faster and more accurate. FITR is not required.*

**U.S. Small Business Administration**  
**DISASTER BUSINESS LOAN APPLICATION**  
OMB No. 3207-0001

FOR SBA INTERNAL USE ONLY      Date Received: \_\_\_\_\_ Location: \_\_\_\_\_ By: \_\_\_\_\_

Physical Declaration Number: \_\_\_\_\_      Filing Deadline Date: \_\_\_\_\_  
 Economic Injury Declaration Number: \_\_\_\_\_      Filing Deadline Date: \_\_\_\_\_  
 FEMA Registration Number: \_\_\_\_\_      SBA Application Number: \_\_\_\_\_

**1. ARE YOU APPLYING FOR:**

Physical Damage -- Indicate type of damage:  Real Property  Business Contents       Military Reservist EIDL (MREIDL) (ompletes no filing) \* Name of Essential Employee: \_\_\_\_\_  
 Economic Injury (EIDL)      \* Employee's Social Security Number: \_\_\_\_\_

**PLEASE PROVIDE ALL INFORMATION OR DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS.**  
 For the online application, visit <http://disasterloan.sba.gov>. For the paper application, visit <http://disasterloan.sba.gov>.  
 Apply online at <http://disasterloan.sba.gov> or mail completed applications to:  
 U.S. Small Business Administration, Processing and Disbursement Center, 14325 Kingsport Road, Fort Worth, Texas 76155

**2. ORGANIZATION TYPE \*Sole Proprietors should complete form SC**

Partnership       Limited Partnership       Limited Liability Entity  
 Corporation       Nonprofit Organization       Trust       Other: \_\_\_\_\_

**3. APPLICANT'S LEGAL NAME**      **4. FEDERAL E.I.N. (if applicable)**

**5. TRADE NAME (if different from legal name)**      **6. BUSINESS PHONE NUMBER (including area code)**

**7. MAILING ADDRESS**       Business       Home       Temp       Other

Number, Street, and/or Post Office Box: \_\_\_\_\_ City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**8. DAMAGED PROPERTY ADDRESS(ES)**      **BUSINESS PROPERTY IS**  
 (if you need more space, attach additional sheets)       Same as mailing address       Owned       Leased  
 Number and Street Name: \_\_\_\_\_ City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**9. PROVIDE THE NAME(S) OF THE INDIVIDUAL(S) TO CONTACT FOR:**

Loss Verification Inspection      Information necessary to process the Application  
 Name: \_\_\_\_\_ Name: \_\_\_\_\_  
 Telephone Number: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

**10. ALTERNATE WAY TO CONTACT YOU**

Cell Number       E-mail  
 Fax Number       Other: \_\_\_\_\_

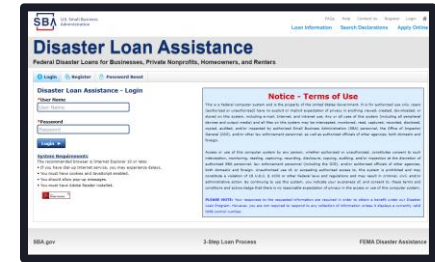
**11. BUSINESS ACTIVITY:**      **12. NUMBER OF EMPLOYEES (pre-disaster):**

**13. DATE BUSINESS ESTABLISHED:**      **14. CURRENT MANAGEMENT SINCE:**

**15. AMOUNT OF ESTIMATED LOSS:**       Real Estate       Inventory  
 (Business, Home & Household Use)       Machinery & Equipment       Leasehold Improvements

**16. INSURANCE COVERAGE (IF ANY):**      Coverage Type: \_\_\_\_\_  
 Name of Insurance Company and Agent: \_\_\_\_\_  
 Phone Number of Insurance Agent: \_\_\_\_\_      Policy Number: \_\_\_\_\_

# Additional Filing Requirements



## Other information that may be requested:

- Complete copy, including all schedules, of the most recent Federal income tax return for principals, general partners or managing member, and affiliates (see filing requirements for more information).
- If the most recent Federal income tax return has not been filed, a year-end profit-and-loss statement and balance sheet for that tax year .
- A current year-to-date profit-and-loss statement .
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. (This is especially important for Economic Injury Disaster Loans.)

# Ineligible Entities

## What are some of the businesses that are ineligible for an Economic Injury Disaster Loan?

- Agricultural Enterprises -If the primary activity of the business (including its affiliates) is as defined in Section 18(b)(1) of the Small Business Act, neither the business nor its affiliates are eligible for EIDL assistance.
- Religious Organizations
- Charitable Organizations
- Gambling Concerns (Ex: Concerns that derive more than 1/3 of their annual gross revenue from legal gambling activities)
- Casinos & Racetracks (Ex: Businesses whose purpose for being is gambling (e.g., casinos, racetracks, poker parlors, etc.) are not eligible for EIDL assistance regardless of 1/3 criteria above.



# How to Apply

**SBA's Customer Service Representatives are ready to serve.**

- Applicants may apply online using the Electronic Loan Application (ELA) via SBA's secure website at <https://disasterloan.sba.gov/ela>.
- Paper loan applications can be downloaded from [www.sba.gov/disaster](http://www.sba.gov/disaster). Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.
- Disaster loan information and application forms may also be obtained by calling the SBA's Customer Service Center at 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).

# Assistance From SBA Partners

Free assistance with reconstructing financial records, preparing financial statements and submitting the loan application is available from any of SBA's partners: Small Business Development Centers (SBDCs), SCORE, Women's Business Centers (WBC), and Veteran's Business Outreach Centers and local Chambers of Commerce.

For the nearest office, visit: <https://www.sba.gov/local-assistance>

# Submit Your Application As Soon As Possible

Recheck the filing requirements to ensure that all the needed information is submitted.

The biggest reason for delays in processing is due to missing information. Make sure to complete all filing requirements before submitting the application and forms.

If more funds are needed, applicants can submit supporting documents and a request for an increase. If less funds are needed, applicants can request a reduction in the loan amount.

If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration.


# Any Questions?



More information concerning  
SBA and its programs  
visit our website at:  
**[www.sba.gov/disaster](http://www.sba.gov/disaster)**

# Disaster Loan Application Portal (DLAP)



[FAQs](#) [Help](#) [Contact Us](#) [Register](#) [Login](#) 

[Loan Information](#) [Search Declarations](#) [Apply Online](#)

## Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters

