



U.S. Small Business
Administration

SBA Economic Injury Disaster Loans –

Coronavirus Related Economic Disruptions



U.S. Small Business
Administration

SBA Disaster Customer Service Center

call - (800) 659-2955

email - disastercustomerservice@sba.gov

SBA Website for Information

www.SBA.gov/disaster

SBA Website to Apply

<https://disasterloan.sba.gov/ela>

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).

SBA acted under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, to declare a disaster following a request received from Gov. Andrew M. Cuomo on March 17, 2020.



Administrator Jovita Carranza

U.S. SMALL BUSINESS ADMINISTRATION FACT SHEET – ECONOMIC INJURY DISASTER LOANS

NEW YORK Declaration 16346

(Disaster: NY-00197)

Incident: CORONAVIRUS (COVID-19)

occurring: *January 31, 2020 & continuing*

Application Filing Deadline: December 21, 2020

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 to 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.

Private Non-Profit Organizations

Examples of Non-Profit Organizations: Nursing homes, food kitchens, museums, educational facilities, senior citizen centers, daycare centers, playhouses, community centers, shelters, rescue organizations, associations, etc.

An eligible private non-profit organization is a non-governmental agency or entity that currently has:

- (1)** An effective ruling letter from the U.S. Internal Revenue Service, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, or
- (2)** 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.

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.



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.

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.**

Economic Injury Disaster Loan Terms



What are the collateral 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.

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.



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.
- **Real estate developers** - establishments primarily engaged in subdividing real property into lots and developing it for resale on their own account.

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. They apply directly to SBA's Disaster Assistance Program at: disasterloan.sba.gov/ela
- 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 or 5C).
- Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates.
- Complete copies of the most recent Federal Income Tax Return.
- Schedule of Liabilities (SBA Form 2202).
- Personal Financial Statement (SBA Form 413).
Other Information may also be requested.

U.S. Small Business Administration
DISASTER BUSINESS LOAN APPLICATION

FOR NEW APPLICANTS USE ONLY

Physical Description Number: _____ Filing Deadline Date: _____
Economic Injury Description Number: _____ Filing Deadline Date: _____
FEMA Registration Number: _____ SBA Application Number: _____

1. ARE YOU APPLYING FOR:
 Physical Damage -- Select type of damage: Real Property Business Contents Military Reservist EIDL (MREIDL) - General Use Only
 Economic Injury (EIDL) *Employee-based Security Certificate

PLEASE PROVIDE ALL INFORMATION OR DOCUMENTATION REQUESTED IN THE ATTACHED PLANS AND REQUIREMENTS.
Apply online at disaster.sba.gov OR send completed application to:
U.S. Small Business Administration, Processing and Disbursement Center, 1400 Sappington Road, Fort Worth, Texas 76103

2. ORGANIZATION TYPE *State Proprietors should complete Form SC
 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 Home Home Work Other State ZIP

8. DAMAGED PROPERTY ADDRESSES: (If you need more space, attach additional sheets.) Same as mailing address Other Leased Business Property (S) Home Other

9. PROVIDE THE NAME(S) OF THE INDIVIDUAL(S) TO CONTACT FOR:
Loss Verification Inspection Information necessary to process the Application

10. ALTERNATE WAY TO CONTACT YOU
 Cell Number E-mail
 Fax Number Other

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

13. DATE BUSINESS ESTABLISHED: 14. CURRENT MANAGEMENT SINCE

15. AMOUNT OF ESTIMATED LOSS: Real Estate Inventory Leasehold Improvements
 Automobiles & Equipment Other

16. INSURANCE COVERAGE (IF ANY) (If you need more space, attach additional sheets.) Coverage Type: _____
Name of Insurance Company and Agent: _____
Phone Number of Insurance Agent: _____ Policy Number: _____

U.S. Small Business Administration
DISASTER HOME / SOLEPROPRIETOR
LOAN APPLICATION

FOR NEW APPLICANTS USE ONLY

1. APPLICANT INFORMATION
Name: _____ Address: _____
City: _____ State: _____ ZIP: _____
Phone Number: _____

2. BUSINESS INFORMATION
Business Name: _____
Address: _____
City: _____ State: _____ ZIP: _____
Phone Number: _____

3. CONTACT INFORMATION
Name: _____ Address: _____
City: _____ State: _____ ZIP: _____
Phone Number: _____

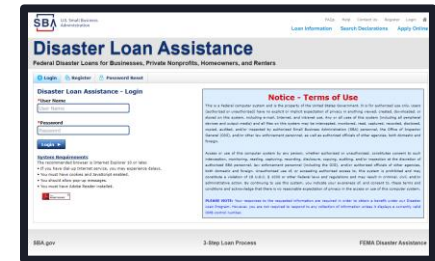
4. BUSINESS ACTIVITY
Business Activity: _____
Date Business Established: _____
Number of Employees: _____

5. AMOUNT OF ESTIMATED LOSS
Type of Loss: _____
Amount: _____

6. INSURANCE COVERAGE (IF ANY)
Coverage Type: _____
Name of Insurance Company and Agent: _____
Phone Number of Insurance Agent: _____ Policy Number: _____

**** Although a paper application and forms are acceptable, filing electronically is easier, faster and more accurate.***

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.)

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. 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.

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:

- 1) Small Business Development Centers (SBDCs)
- 2) SCORE
- 3) Women's Business Centers (WBC)

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 one time.

Any Questions?



More information concerning
SBA and its programs
visit our website at:
www.sba.gov/disaster