

# 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)

President Trump signed the [Coronavirus Aid, Relief and Economic Security Act](#) into law on March 27, 2020. The [economic stimulus bill provides](#) financial assistance to U.S. citizens and U.S. businesses. Within the bill, emergency capital will be made available to sustain our nation's small businesses and their employees during this unprecedented event.

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).

The **Economic Injury Disaster Loan Advance** will quickly provide an advance of up to a \$10,000 in capital and is available now through: <https://covid19relief.sba.gov/#/>



*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

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



# 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?

- No personal Guarantee for loans under \$200,000.
- Not looking for property collateral for loans under \$500,000.
- SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available.
- 20% or greater owners of the business will need to provide their unlimited personal guaranties.

# 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 regular 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.

# 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.

# Economic Injury Disaster Loans/Grant (EIDL)



**SBA's Disaster Customer Service Representatives  
are ready to serve you**

## How to Apply

- Applicants visit SBA's secure website at <https://covid19relief.sba.gov/#/business-info>
- Completed applications can be mailed to:  
  
U.S. Small Business Administration  
Processing and Disbursement Center  
14925 Kingsport Road  
Fort Worth, TX 76155
- SBA's Disaster Customer Service Center: 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)
- The deadline to apply for an Economic Injury Disaster Loan is **Dec. 16, 2020**

# Assistance From SBA Partners



**Southeast Regional Office**  
**[www.msfdc.org/semass](http://www.msfdc.org/semass)**  
**508.673.9783**

- **Free** One-on-one business consulting, via Zoom, Skype, Phone, Email
- Assistance with information that will be required for a Loan
- Each application and every business is different
- Assistance in preparing financial statements
- Assistance with Cash Forecasts, especially for new businesses
- Updating your Business Plan
- NOW is the time to take care of your business' health
- Get a checkup for your business:

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

# SBA's Resource Partners - SCORE



## Experienced Volunteers Offering:

- Expert business counseling
- Marketing advice
- Business plan preparation
- Loan application assistance
- Online or in person counseling
- **FREE AND CONFIDENTIAL**

## Contact SCORE:

Southeastern MA....508-587-2673

[www.sema.score.org](http://www.sema.score.org)

Boston.....617-565-5591

[www.boston.score.org](http://www.boston.score.org)

Cape Cod ..... 508-775-4884

[www.capecod.score.org](http://www.capecod.score.org)

Northeastern MA ...978-927-2282

[www.scorenemass.org](http://www.scorenemass.org)

Western MA .....413-785-0314

[www.westernmassachusetts.score.org](http://www.westernmassachusetts.score.org)

Worcester ..... 508-753-2929

[www.worcester.score.org](http://www.worcester.score.org)

# SBA's Resource Partners - MSBDC



## Contact the MSBDC:

Pittsfield 413-499-0933  
Worcester 508-793-7615  
Salem 978-542-6343  
Fall River 508-673-9783  
Springfield 413-737-6712  
Govt. Contracting 413-737-6712 x 105  
Export Help 617-973-8664

## MSBDC:

<https://www.msbdc.org/semass/rfc.html>

Paid advisors across the state in 6 regional centers.

- ✓ Free and Confidential
- ✓ Business plan and loan application assistance
- ✓ Combines resources of SBA, local government, private sector and academia
- ✓ Export and government contracting assistance.
- ✓ Typically located at colleges and universities:  
U-Mass Amherst and Boston, Salem State  
and Clark University

# SBA's Resource Partners - CWE



Center for Women & Enterprise  
Your Vision. Our Mission.

## Centers in Boston and Worcester provide:

- Classes on how to write a business plan
- Support in launching your business
- Networking with other business owners
- 2-hour topic-specific workshops
- One-on-one legal and business consulting
- Classes to support you in your job search



**Boston:** ..... (617) 536-0700

**Westborough:** ..... (508) 363-2300

# Disaster Loan Assistance Streamlined Process



OMB Control #3247-0406

Expiration Date: 09/30/2020

## 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.

<https://covid19relief.sba.gov/#/>

## 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.

### 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 or (TTY: 1-800-877-8339) [DisasterCustomerService@sba.gov](mailto:DisasterCustomerService@sba.gov).

Continue >

Step 5 of 5

## Additional Information

In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?  Yes  No

Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?  Yes  No

a. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?  Yes  No

b. Have you been arrested in the past six months for any criminal offense?

c. For any criminal offense - other than a minor vehicle violation - have you ever been convicted, plead guilty, plead nolo contendere, been placed on pretrial diversion, or been placed on any form of parole or probation (including probation before judgment)?

If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must enter their information below.

Individual Name

Name of Company

Phone Number

Street Address, City, State, Zip

Fee Charged or Agreed Upon

I give permission for SBA to discuss any portion of this application with the representative listed above.  Yes  No

I would like to be considered for an advance of up to \$10,000.

## Where to Send Funds

Bank Name \*

Account Number \*

Routing Number \*

On behalf of the individual owner identified in this application and for the business mentioned therein.

# 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 and forms when asked by SBA.
- ❑ 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 you wish to apply for the Advance on your EIDL, please visit [www.SBA.gov/Disaster](http://www.SBA.gov/Disaster) as soon as possible to fill out a new, streamlined application. In order to qualify for the Advance, you need to submit this new application even if you previously submitted an EIDL application. Applying for the Advance will not impact the status or slow your existing application.

# Express Bridge Loan

The EBL Pilot Program is designed to supplement the Agency's direct disaster loan capabilities and authorizes SBA Express Lenders to provide expedited SBA-guaranteed bridge loan financing on an emergency basis in amounts up to \$25,000. This is a loan program for small businesses with an existing banking relationship with SBA Express lenders as of the date of the disaster.

## Terms

Up to \$25,000

Fast turnaround

Will be repaid in full or in part by proceeds from the EIDL lo

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-express-bridge-loans>

# Paycheck Protection Program (PPP)

- The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on business mortgages, rent, and utilities
- Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, **at least 75% of the forgiven amount must have been used for payroll**)
- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decreases
- Small businesses with 500 or fewer employees—including nonprofits, veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors— are eligible

# Paycheck Protection Program (PPP)

- Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply. Application period ends **30 Jun 20**
- You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating
- Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee
- 2 year term, 1% interest rate, payments deferred for 6 months, although interest will accrue

<http://www.sba.gov/paycheckprotection>



U.S. Small Business  
Administration



For system and application help please contact  
SBA's Economic Injury Disaster Loan  
Customer Service Center at (800) 659-2955  
[disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

# District Office Contact Information

Lisa Gonzalez Welch

Economic Development Specialist  
U.S. Small Business Administration  
Massachusetts District Office

(617) 565-5588

[lisa.welch@sba.gov](mailto:lisa.welch@sba.gov)

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