



U.S. Small Business
Administration

NEWS RELEASE

PRESS OFFICE

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Contact: Jennifer.Kelly@sba.gov (202)205-7036

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SBA To Provide Small Businesses Impacted by Coronavirus (COVID-19) Up to \$2 Million in Disaster Assistance Loans

WASHINGTON – SBA Administrator [Jovita Carranza](#) issued the following statement today in response to the President’s address to the nation:

“The President took bold, decisive action to make our 30 million small businesses more resilient to Coronavirus-related economic disruptions. Small businesses are vital economic engines in every community and state, and they have helped make our economy the strongest in the world. Our Agency will work directly with state Governors to provide targeted, low-interest disaster recovery loans to small businesses that have been severely impacted by the situation. Additionally, the SBA continues to assist small businesses with counseling and navigating their own preparedness plans through our network of 68 District Offices and numerous Resource Partners located around the country. The SBA will continue to provide every small business with the most effective and customer-focused response possible during these times of uncertainty.”

Process for Accessing SBA’s Coronavirus (COVID-19) Disaster Relief Lending

- The U.S. Small Business Administration 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 provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).

- SBA's Office of Disaster Assistance will coordinate with the state's or territory's Governor to submit the request for Economic Injury Disaster Loan assistance.
- Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities.
- SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.

For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.

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About the U.S. Small Business Administration

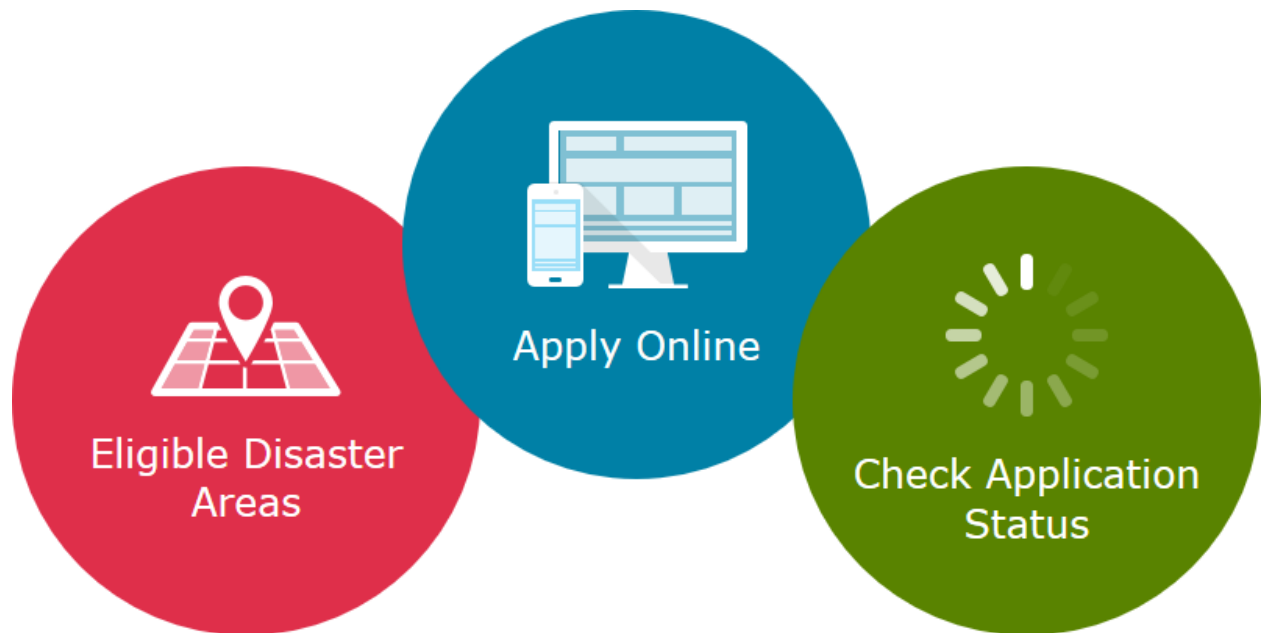
The U.S. Small Business Administration helps power the American dream of business ownership. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.

This is a Direct program through SBA meaning Businesses will apply directly to SBA. SBA will do the underwriting, documentation, disbursement, and servicing.

The link below will take applicants to the appropriate website

<https://www.sba.gov/funding-programs/disaster-assistance>

and the following screen shots are from that website





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The Three Step Process: Disaster Loans

About Disaster Loans

The U. S. Small Business Administration (SBA) provides low-interest, long-term disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property. SBA disaster loans offer an affordable way for individuals and businesses to recover from declared disasters.

STEP 1: Apply for Loan

- Apply: 1) online; 2) in-person at a disaster center; or 3) by mail.
- Apply online at the SBA's secure website disasterloan.sba.gov/ela.
- As a business of any size, you may borrow up to \$2 million for physical damage.
- As a small business, small agricultural cooperative, small business engaged in aquaculture, or private non-profit organization you may borrow up to \$2 million for Economic Injury.
- As a small business, you may apply for a maximum business loan (physical and EIDL) of \$2 million.
- As a homeowner you may borrow up to \$200,000 to repair/replace your disaster damaged primary residence.
- As a homeowner or renter, you may borrow up to \$40,000 to repair/replace damaged personal property.

STEP 2: Property Verified and Loan Processing Decision Made

- SBA **reviews your credit** before conducting an inspection to verify your losses.
- An SBA verifier will **estimate** the total physical loss to your disaster damaged property.
- A loan officer will determine your **eligibility** during processing, after reviewing any insurance or other recoveries. SBA can make a loan while your insurance recovery is pending.
- A loan officer works with you to provide all the necessary information needed to reach a loan determination. Our goal is to arrive at a decision on your application within 2 - 3 weeks.
- A loan officer will contact you to discuss the loan recommendation and your next steps. You will also be advised in writing of all loan decisions.

STEP 3: Loan Closed and Funds Disbursed


- SBA will prepare and send your Loan Closing Documents to you for your signature.
- Once we receive your signed Loan Closing Documents, an initial disbursement will be made to you within 5 days:
 - Physical damage:
 - \$25,000
 - Economic injury (working capital):
 - \$25,000 (In addition to the Physical damage disbursement)
- A case manager will be assigned to work with you to help you meet all loan conditions. They will also schedule subsequent disbursements until you receive the full loan amount.
- Your loan may be adjusted after closing due to your changing circumstances, such as increasing the loan for unexpected repair costs or reducing the loan due to additional insurance proceeds.

For more information or to find a local disaster center, contact SBA's Customer Service Center at 1-800-659-2955 (TTY: 1-800-877-8339).

sba.gov/disaster
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Required Documentation

The following documents are required to process your application and reach a loan decision. Your Loan Officer and Case Manager will assist you to ensure that you submit the proper documentation. Approval decision and disbursement of loan funds is dependent on receipt of your documentation.

BUSINESSES	HOMEOWNERS AND RENTERS
<ul style="list-style-type: none"> Business Loan Application (SBA Form 5) completed and signed by business applicant. IRS Form 4506-T completed and signed by Applicant business, each principal owning 20% or more of the applicant business, each general partner or managing member and, for any owner who has more than a 50% ownership in an affiliate business. (Affiliates include business parent, subsidiaries, and/or businesses with common ownership or management). Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business; an explanation if not available. Personal Financial Statement (SBA Form 413) completed, signed and dated by the applicant (if a sole proprietorship), each principal owning 20% or more of the applicant business, each general partner or managing member. Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used). <p>ADDITIONAL INFORMATION THAT MAY BE NECESSARY TO PROCESS YOUR APPLICATION:</p> <ul style="list-style-type: none"> Complete copies, including all schedules, of the most recent Federal income tax returns for each principal owning 20% or more of the applicant business, each general partner or managing member, and each affiliate when any owner has more than a 50% ownership in the affiliate business. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management. 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 is acceptable. A current year-to-date profit and loss statement. Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. 	<ul style="list-style-type: none"> Home Loan Application (SBA Form 5c) completed and signed by Applicant and Co-Applicant. IRS Form 4506-T completed and signed by Applicant and Co-Applicant. <p style="font-size: 1.2em; font-weight: bold; color: #0056b3;">APPLY FOR ASSISTANCE AT</p> <p style="color: #0056b3;">disasterloan.sba.gov/ela</p>  <p style="font-weight: bold; color: #0056b3;">Or Call</p> <p style="color: #0056b3;">1-800-659-2955 (SBA Customer Service Center)</p> <p style="color: #0056b3;">1-800-877-8339 (TTY: Deaf and Hard-of-Hearing)</p>