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

U.S. Small Business Administration

Presented by
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.)
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.
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 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

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 that 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 at https://disasterloan.sba.gov/ela.

- 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.
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.
Disaster Loan Application Portal (DLAP)

DOUBLE-CLICK ON THE LINK TO ACCESS THE SITE
https://disasterloan.sba.gov/ela/

DOUBLE-CLICK APPLY ONLINE
Economic Injury Disaster Loan Assistance

Small business owners in all U.S. states, Washington D.C., and territories are currently eligible to apply for a low term, low-interest loan due to Coronavirus (COVID-19).

The SBA’s Economic Injury Disaster Loan program provides small businesses with working capital loans of up to $2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

If you are applying for disaster assistance for another declaration, then please see the home owner’s and renter’s here.

Instructions to Apply

1. Download forms below
2. Fill in your information
3. Upload forms on this page below
4. If you choose to mail, then please see Mailing Instructions below

Download Business Forms

1. Business Loan Application (Form 5) (en Español)
2. Home or Sole Proprietor Loan Application (SBA Form 5C) (en Español)
3. Economic Injury Disaster Loan Supporting Information (Form P-19)

Additional Forms

A Disaster Assistance loan officer may request you to fill out the following additional forms:

- Fee Disclosure Form and Compensation Agreement (Form 159D)
- Personal Financial Statement (SBA Form 413D) (en Español)
- Request for Transcript of Tax Return (IRS Form 4506-T)
- Instructions for Request for Transcript of Tax Return (IRS Form 4506-T) (en Español)
- Schedule of Liabilities (SBA Form 2202)
- Instructions for Schedule of Liabilities (SBA Form 2202) (en Español)
- PUERTO RICO ONLY: Release of Inheritance and Donation (Modelo SC 2907) (en Español)
- PUERTO RICO ONLY: Hacienda Statement of Authorization
U.S. Small Business Administration
DISASTER BUSINESS LOAN APPLICATION

Physical Declaration Number
Economic Injury Declaration Number
FEMA Registration Number

Date Received
Location
By
Filing Deadline Date
Filing Deadline Date
SBA Application Number

ARE YOU APPLYING FOR:

- Physical Damage — Indicate type of damage
- Real Property
- Business Contents
- Economic Injury (EIDL)
- Military Reservist EIDL (MREIDL)

PLEASE PROVIDE ALL INFORMATION OR DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS.

For information about these questions, see the attached statements required by law and executive orders.

Apply online at https://disasterloan.sba.gov/ela/ or send completed applications to:
U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, Texas 76155

ORGANIZATION TYPE * Sole Proprietors should complete form S6C

- Partnership
- Limited Partnership
- Limited Liability Entity
- Corporation
- Nonprofit Organization
- Trust
- Other:

APPLICANT’S LEGAL NAME

FEDERAL I.N. (if applicable)

TRADE NAME (if different from legal name)

BUSINESS PHONE NUMBER (including area code)

MAILING ADDRESS

Business
Home
Temp
Other

NUMBER, STREET, AND/OR POST OFFICE BOX

City
COUNTY
STATE
ZIP

DAMAGED PROPERTY ADDRESS(ES)

SAME AS MAILING ADDRESS

OWNED

LEASED

NUMBER AND STREET NAME

City
COUNTY
STATE
ZIP

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

ALTERNATE WAY TO CONTACT YOU

Cell Number

E-mail

Fax Number

Other

BUSINESS ACTIVITY:

NUMBER OF EMPLOYEES (pre-disaster):

DATE BUSINESS ESTABLISHED:

CURRENT MANAGEMENT SINCE:

AMOUNT OF ESTIMATED LOSS:

Real Estate

Inventory
U.S. SMALL BUSINESS ADMINISTRATION
ECONOMIC INJURY DISASTER LOAN SUPPORTING INFORMATION

The U.S. Small Business Administration Economic Injury Disaster Loan provides immediate working capital to eligible applicants. For expedited loan application processing, the business must have been operating for at least one year prior to the disaster. Eligibility for this disaster loan must consider compensation from other sources to offset the economic injury. Other sources include but are not limited to: (1) grants or other reimbursement (including loans) from government agencies or private organizations, and (2) claims for civil liability against other individuals, organizations or governmental entities.

Was the business in operation one year prior to the disaster?  □ Yes  □ No

Gross Revenues for the twelve (12) month period prior to the disaster: $ 

Cost of Goods Sold for the twelve (12) month period prior to the disaster: $ 

Rental properties (residential and commercial) only. Lost rents due to the disaster: $ 

Compensation from other sources received as a result of the disaster (provide a brief description below):

$ 

$ 

$ 

SIZE STANDARD*: SBA’s size standards define whether a business concern is small and, therefore, eligible for an Economic Injury Disaster Loan.

I certify all above information provided and the size of the applicant business does not exceed the size standard for the industry in which the business is primarily engaged.

Signature and Title ____________________________________________ Date ____________________________
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- PUERTO RICO ONLY: Release of Inheritance and Donation (Modelo SC 2907) (en Español)
- PUERTO RICO ONLY: Hacienda Statement of Authorization
- Additional Filing Requirements (SBA Form 1368)
- Additional Filing Requirements (SBA Form 413D) (en Español)

Upload Business Forms

Upload Your Documents

Securely submit your Loan Application

Drag and drop files
Browse your device

Before uploading, please be sure you trust this site, have the rights to the data, and want to share this content to the owner of this upload widget.

View Box Terms of Service.
View Box Privacy Notice.
Additional Help

- 27 local centers across the state
- Free one-on-one counseling with a business advisor

VirginiaSBDC.org/locations