

# Economic Injury Disaster Loans



America's SBDC - A Resource Partner of Small  
Business Administration - Current as of  
03/30/2020



**95**

COUNTIES

**89,714**

SQ. MILES

**2,100,169**

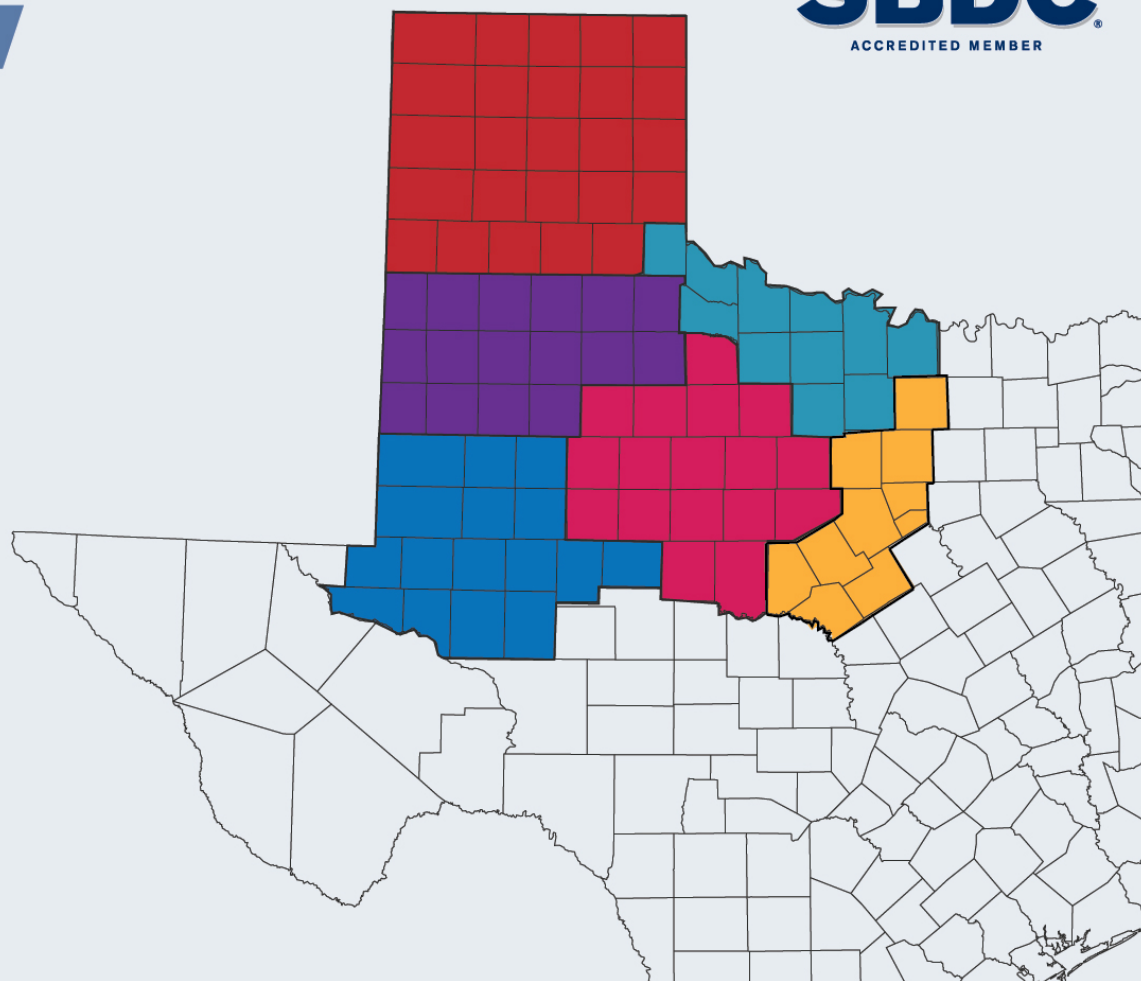
PEOPLE

**5**

METROPOLITAN STATISTICAL AREAS

**6**

FEDERAL CONGRESSIONAL DISTRICTS



# **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 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. **(You can request up to \$10,000 immediately)\***

The interest rates for this disaster are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms of 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.

\*New with CARES Act

# 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.

# **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.

**No Payments dues for 12 months**

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



# 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://sba.gov/disaster>
- Paper loan applications can be downloaded from <https://disasterloan.sba.gov/ela/Home/OfflineApply>. 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).

# www.sba.gov/disaster



# Disaster Loan Applications

*Find out how to apply for SBA Disaster loans*

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[Economic Injury Disaster Loans and Loan Advance](#)

[Home Loans or Sole Proprietor Loans](#)

[Mailing instructions](#)

[Useful links](#)

[Get help](#)



# Economic Injury Disaster Loans and Loan Advance



To apply for a COVID-19 Economic Injury Disaster Loan, [click here](#).

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. 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.

The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

Economic Injury Disaster Loans are also available to residents in declared disaster areas. To view the full list of disaster declarations, [click here](#).

To apply for a disaster loan unrelated to COVID-19, [click here](#).

# 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.

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

Continue >

# Applicant Must Check ALL To be Eligible

# COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

Step 1 of 3

## Business Information

Business Legal Name \*



Trade Name \*



EIN/SSN for Sole Proprietorship \*



Organization Type \*



## Red Lines are Required Fields

☐ Yes ☐ No

☐ Yes ☐ No

**Compensation From Other Sources Received as a Result of the Disaster**

**Provide Brief Description of Other Compensation Sources**

**Primary Business Address (Cannot be P.O. Box) \***

**City \***

**State \***

**County**

**Zip \***

**Business Phone \***

**Business Fax**

**Business Email \***

**Date Business Established \***

**Current Ownership Since \***

**Business Activity \***

**Detailed Business Activity\***

**Number of Employees (As of January 31, 2020) \***

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# COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

Step 2 of 3

## Business Owners Information

**If Business is Owned by Business Entity**



Is Your Business Owned by a Business Entity? \*

☐ Yes ☐ No

## Individual Owner/Agent(s)

### Owner/Agent 1



First Name \*

Last Name \*

**Mobile Phone \***

**Title / Office \***

**Ownership Percent \***

**Email \***

**SSN \***

**Birth Date \***

**Place Of Birth \***

**U.S. Citizen \***


☐ Yes ☐ No

**Residential Street Address \***

**City \***

**State \***

**Zip \***

 Add Additional Owner

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[File Explorer](#)

Is Your Business Owned by a Business Entity? \*

☒ Yes ☐ No

## BUSINESS APPLICANT PARENT ENTITY

Legal Name \*

Street Address \*

City \*

State \*

EIN \*

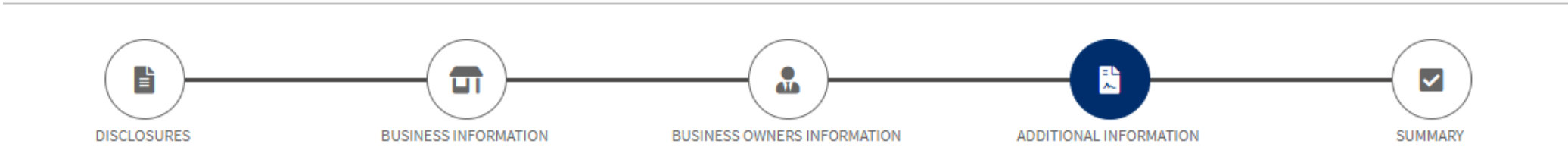
ZIP \*

Business Phone \*



**If Business is Owned  
by Business Entity  
These Questions Appear**

# COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



Step 3 of 3

## 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)?

Previous

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 owners identified in this application and for the business applying for the loan:

I/We authorize my/our insurance company, bank, financial institution, or other creditors to release to SBA all records and information necessary to process this application and for the SBA to obtain credit information about the individuals completing this application.

If my/our loan is approved, additional information may be required prior to loan closing. I/We will be advised in writing what information will be required to obtain my/our loan funds. I/We hereby authorize the SBA to verify my/our past and present employment information and salary history as needed to process and service a disaster loan. I/We authorize SBA, as required by the Privacy Act, to release any information collected in connection with this application to Federal, state, local, tribal or nonprofit organizations (e.g. Red Cross Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my/our SBA application, evaluating eligibility for additional assistance, or notifying me of the availability of such assistance.

I/We will not exclude from participating in or deny the benefits of, or otherwise subject to discrimination under any program or activity for which I/we receive Federal financial assistance from SBA, any person on grounds of age, color, handicap, marital status, national origin, race, religion, or sex.

I/We will report to the SBA Office of the Inspector General, Washington, DC 20416, any Federal employee who offers, in return for compensation of any kind, to help get this loan approved. I/We have not paid anyone connected with the Federal government for help in getting this loan.

**CERTIFICATION AS TO TRUTHFUL INFORMATION:** By signing this application, you certify that all information in your application and submitted with your application is true and correct to the best of your knowledge, and that you will submit truthful information in the future.

**WARNING:** Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

☐ I hereby certify **UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES** that the above is true and correct.

[Click for additional statements required by laws and executive orders](#)

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Office

# Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

## COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



**You will see a Summary  
Review  
and then Submit your application**

# CARES ACT

- Paycheck Protection Program
- Emergency Economic Injury Grant
- The Small Business Debt Relief Program

# Economic Injury Disaster Loans & Emergency Economic Injury Grants

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance**, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

# **Paycheck Protection Program (PPP) Loans**

**Program would provide cash-flow assistance through 100% guaranteed loans to employers who maintain their payroll during this emergency.**

- **Based on 12-month average of payroll multiple by 2.5**
- **The maximum loan size is always \$10 million**
- **Payroll cost includes salary, wages, leave pay, group health, retirement, state payroll tax, net SE income. Payroll cost is limited to \$100,000 per employee.**
- **Interest rate, 4% or less**
- **No collateral required from borrower**
- **Loan payments deferred for between 6-12 months**

# **Paycheck Protection Program (PPP) Loans Continued**

- **No SBA fees**
- **Term up to ten years on balance of loan that is not forgive**
- **If employers maintain their payroll, part of the loans would be forgiven,**
- **PPP has forgiveness of up to 8 weeks of payroll based on employee retention and salary levels**
- **This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls.**
- **Loans are available through June 30, 2020.**

# **Small Business Debt Relief Program**

**This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7A, 504, and microloans.**

- SBA will cover all loan payments including principal, interest, and fees, for six months.**
- Available to new borrowers who take out loans within six months from March 27, 2020 .**
- 7A up to \$5M. 504 Loan up to \$5.5M, Microloans up to \$50K**

# Small Business Tax Provisions

## **Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship**

**This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis.**

**For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed.**

**The credit is provided for wages and compensation, including health benefits, and is provided for the first \$10,000 in wages and compensation paid by the employer to an eligible employee.**

**The credit is not available to employers receiving assistance through the [Paycheck Protection Program](#). The credit is provided through December 31, 2020.**

# **Delay of Payment of Employer Payroll Taxes**

**Allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020**

- **All 2020 deferred amounts due in two equal installments**
  - **1st Installment at the end of 2021**
  - **2nd Installment at the end of 2022.**
- **Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability.**
- **Deferral is not provided to employers receiving assistance through the [\*\*Paycheck Protection Program\*\*](#).**



**[www.tsusbdc.org](http://www.tsusbdc.org)**

**254.968.0558**

**tsusbdc@Tarleton.edu**



**Any Questions?**  
**[www.sba.gov/disaster](http://www.sba.gov/disaster)**



**Lubbock SBA  
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(806) 472-7462**

**DFW SBA  
(817) 684-5500**

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