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)

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. **THE STATE OF IOWA IS NOW ELIGIBLE.**
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.)
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.

• Available business assets will need to be pledged. *For COVID-19 EIDL loans, SBA is waiving the requirement to pledge personal real estate.*

• 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

There is no cost to apply.

There is no obligation to take the loan if offered.

The maximum unsecured loan amount is $25,000. Loans over $25,000 up to $2 million must be secured to the maximum amount possible.

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 5C for Non profits – Form 5 for all other businesses organizations).
• 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.

*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.
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.)
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 this web page - https://disasterloan.sba.gov/ela/Information/PaperForms. If submitting a paper application, 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: Small Business Development Centers (SBDCs), SCORE, Women’s Business Centers (WBC), and Veteran’s Business Outreach Centers. Other organizations, such as Chambers of Commerce and other economic development entities may be willing to assist as well.

• Iowa Small Business Development Centers – www.iowasbdc.org

• SCORE – https://www.score.org/find-location

• Iowa Women’s Business Center - http://theiowacenter.org/womensbusinesscenter/

• Veterans Business Outreach Center - https://www.vetbiz.com/
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)

Disaster Loan Assistance
Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters

- Eligible Disaster Areas
- Apply Online
- Check Application Status
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 long 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 form 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-019)
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)
- 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
- Additional Filing Requirements (SBA Form 1368)
- Additional Filing Requirements (SBA Form 413D) Spanish

Upload Business Forms

Upload Your Loan Documents

Securely upload completed Disaster Applications

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 consent to the owner of this upload widget.

View Box Terms of Service.
View Box Privacy Notice.
Upload Business Forms

Upload Your Loan Documents
Securely upload completed Disaster Applications

File(s)
- John Smith Form 5.pdf 1.9 MB

Description
- John Smith Form 5

Your Email Address (required)
- john.smith@gmail.com

Cancel  Upload
When the online application portal is not available, business owners and private nonprofits can still apply for an EIDL loan by submitting their disaster loan forms to the SBA via email or by regular mail.

Please go to [https://disasterloan.sba.gov/ela/Home/OfflineApply](https://disasterloan.sba.gov/ela/Home/OfflineApply) for more instructions. Users can access the required forms (in English or Spanish) by clicking the link [https://disasterloan.sba.gov/ela/Information/PaperForms](https://disasterloan.sba.gov/ela/Information/PaperForms). Applicants should complete the fillable PDF forms and save them on their computer, and then email the completed forms to disasterloans@sba.gov or mail physical copies to the SBA at this address:

U.S. Small Business Administration
Processing and Disbursement Center
14925 Kingsport Rd.
Ft. Worth, TX 76155-2243

**NOTE:** After applicants have completed the PDF versions of application forms, people should double-check to see if the online Electronic Loan Application has been restored *before* sending the PDF forms to the SBA via email or regular mail.

If it turns out that the applicant can log-in to the Electronic Loan Application at that point, they should transfer the information they typed into the PDF version of the forms and enter the information into the Disaster Loan Application Portal. While this may be duplicative work, the Disaster Loan applications submitted through the portal will take less time for the SBA to process.
Any Questions?

Contact SBA’s Disaster 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.

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