

# SBA To Provide Economic Support For Coronavirus Related Economic Disruptions



U.S. Small Business  
Administration

Patrick Rodriguez  
Senior Area Manager  
North Carolina District Office

# SBA Support Available Due to the Coronavirus (COVID-19)

- Economic Injury Disaster Loans (EIDLs)
- Emergency Economic Injury Grants
- Express Bridge Loan
- Paycheck Protection Program (PPP)
- Small Business Debt Relief
- <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-2>

# 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 Economic Injury Disaster Loan Basics

## What businesses are eligible to apply?

SBA's EIDLs (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 Terms

## How much can I borrow?

- Eligible entities may qualify for loans up to \$2 million
- Terms up to 30 years and interest rates at:
  - 3.75% for small businesses
  - 2.75% percent for nonprofit organizations
- Eligibility for these working capital loans are based on the size (must be a small business), type of business, and its financial resources.

## How can I use the loan funds?

- Fixed debts
- Payroll
- Accounts payable
- Other bills that could have been paid had the disaster not occurred
- (Not intended to replace lost sales or profits or for expansion)

# Emergency Economic Injury Grants

- Emergency Economic Injury Grants up to \$10,000
- Requested during EIDL application process
- If approved, funds are distributed and are not repaid regardless of EIDL application decision



# 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, manufacturers, 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.



# Working Capital Loans 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: <https://covid19relief.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

# Basic Filing Requirements

## 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. 657e(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, equiculture 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 equiculture 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.

# Basic Filing Requirements

## 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\***

**Is the Applicant a Non-Profit Organization? \***

Yes  No

**Is the Applicant a Franchise? \***

Yes  No

**Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) \***

**Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) \***

**Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster**

**Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)**

**Combined Annual Operating Expenses for the Twelve(12) Months Prior to the Date of the Disaster (January 31, 2020) for All Secular Social Services Provided by the Faith Based Entity**

**List the Secular Social Services Provided by the Faith Based Entity**

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

**Provide Brief Description of Other Compensation Sources**

# Private Non-Profit Organizations

Examples of Non-Profit Organizations: Nursing homes, food kitchens, museums, educational facilities, senior citizen centers, daycare centers, playhouses, community centers, shelters, rescue organizations.

An eligible private non-profit organization is a non-governmental agency or entity that currently has:

- (1)** An effective ruling letter from the U.S. Internal Revenue Service, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, or
- (2)** 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.



# How to Apply

- Applicants may apply online using the Electronic Loan Application via SBA's secure website at <https://covid19relief.sba.gov/#/>.
- 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).

# Additional SBA Programs

## Express Bridge Loans (EBLs):

Allows small businesses, who currently have a business relationship with an SBA Express Lender, to access up to \$25,000 with less paperwork.

Can provide vital economic support to help overcome the temporary loss of revenue.

Can be a term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan.

Provide cash for an urgent need while waiting for decision and disbursement on Economic Injury Disaster Loan.

# Additional SBA Programs

## Paycheck Protection Program (PPP):

A direct incentive for small businesses to keep workers on payroll

Provides a loan up to \$10 million for payroll and certain other expenses.

If all employees are kept on payroll for eight weeks, SBA will forgive the portion used for payroll, rent, mortgage interest, or utilities.

<https://www.sba.gov/offices/district/nc/charlotte/resources/sba-lenders-serving-north-carolina-small-businesses>

## Small Business Debt Relief:

Provides a reprieve to small businesses as they overcome the challenges created by COVID-19.

SBA will pay the principal and interest of 7(a), 504, and micro loans not issued under PPP for a period of six months.

# Paycheck Protection Program (PPP)

## SBA Approved Lenders - Offer



- The CARES Act establishes a new \$349 billion Paycheck Protection Program. The Program will provide relief to millions of small businesses so they can sustain their businesses and keep their workers employed.
- The new loan program will help small businesses with their payroll and other business operating expenses. Will provide critical capital to businesses without collateral requirements, personal guarantees, or SBA fees – all with a 100% guarantee from SBA. All loan payments will be deferred for six months. Most importantly, the SBA will forgive the portion of the loan proceeds that are used to cover the first eight weeks of payroll costs, rent, utilities, and mortgage interest.
- **Under this program:**
  - Eligible recipients may qualify for a loan up to \$10 million determined by 8 weeks of prior average payroll plus an additional 25% of that amount.
  - Loan payments will be deferred for six months.
  - If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.



# Express Bridge Loan Pilot Program Guide

Allows small businesses who **currently** have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct [SBA Economic Injury Disaster loan](#).

If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an **SBA Express Disaster Bridge Loan**.

- **Terms**
- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan

**Find an Express Bridge Loan Lender** by connecting a NCDO team member

# SBA Debt Relief

The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.

Under this program:

- The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
- The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

# 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 & Technology Development Centers (SBTDCs)
- SCORE
- Women's Business Centers (WBC)
- Veteran's Business Outreach Centers
- Local Chambers of Commerce

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

# Assistance From SBA Partners

## For Help Filling out the SBA Disaster Loan Application

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

The following SBA-backed organizations provide assistance to small businesses in the state of North Carolina - email and phone counseling are available.

Small Business & Technology Development Center (SBTDC): <http://www.sbtcd.org/coronavirus/>

SCORE: <https://www.score.org/>

Veterans Business Outreach Center: <https://www.fsuvboc.com/>

Women's Business Centers:

Asheville area: <https://www.wwbccnc.org/>

Charlotte area: <https://theinstitutenc.org/programs/wbcc/>

Fayetteville area: <https://www.wbcfay.org/>

Raleigh-Durham area: <https://theinstitutenc.org/programs/womens-business-center-of-north-carolina/>

# Any Questions?



More information concerning  
SBA and its programs  
visit our website at:

[www.sba.gov/disaster](http://www.sba.gov/disaster)