

SBA CORONAVIRUS LOAN ASSISTANCE

HERE IS WHAT YOU NEED TO KNOW ABOUT THE \$50 BILLION DOLLARS IN CORONA VIRUS DISASTER LOANS AND HOW TO ACCESS THOSE LOANS.

SBA has several disaster loan products, but the one applicable to small businesses in this situation is the **Economic Injury Disaster Loan Program**. After a request is received from a state's or territory's Governor, SBA will issue under its own authority 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). **These disaster loans are expected to use the same process, form, and disbursement mechanisms that are used for conventional disasters like floods and earthquakes.**

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. **As of the morning of March 14th, the SBA is not currently able to issue or process these loans because the law requires state declarations and partnerships that have not yet been executed - but are expected to be soon.**

The application for loans from businesses in areas that have been declared a disaster will be accepted [via an online system at the SBA's website](#). The online application process will require the creation of an online account with which you can track the process of your application.

You can see the form that businesses will need to file (electronically) and documents they will need to produce by [following this link](#).

The loan application process is a three step process: 1) Apply online; 2) Verification, documentation, credit review, and loan processing by SBA staff in conjunction with the small business; and 3) loan closed and funds disbursed. [Details of the three stage process can be found here.](#)

Commonly a disaster loan is not disbursed all at once. The loan is drawn in phases and the SBA can adjust the amount available to address changing circumstances.

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. 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.

The SBA's staff is likely to receive massive numbers of applications so applying early, being prepared and fully documented, and being patient with SBA staff will be prudent.

MORE INFORMATION CAN BE FOUND AT WWW.SBA.GOV/DISASTER