SBA Quick Fact Sheet

**SBA Economic Disaster Loans are for small businesses, who may be experiencing financial hardship due to an acute circumstance beyond their control—usually a catastrophe or disaster.**

* The **Economic Injury Disaster Loan program (EIDL)** cover provides funding in the form of loans up to $2 million depending on the needs of the business. Repayment terms are usually crafted to meet the needs and ability of the business as well.  If your business was closed or limited during the COVID-19 quarantines the loan may cover the costs of business income lost as a result of the disaster

**There are Four Main SBA Economic Disaster Loan Requirements:**

1. **Locations;** operate a business in an effected disaster location
2. **Credit Score**; It appears the SBA will adjust the Credit Score requirements for COVID-19
3. **Repayment Ability;** The business must demonstrate they can meet business expenses, owners draw, and loan payments from the earnings of the business. This is demonstrated through historical P&L and Balance Sheet performance, documentation, and or thoroughly documented cash flow projections.
4. **Available Collateral;** Assets such as Real Estate Property, Machinery, A/R, Inventory, Personal Assets, Free and Clear Vehicles, and Stocks and bonds.

***Please consider – theses loans are designed to be as accessible as possible, do don’t be fearful to apply and work with the SBA, “even if you have a bad credit score or lack of collateral”***

* Applying on the SBA online portal is the fastest way to engage the SBA loan process. <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>
* SBA Phone Center 1-800-659-2955. Nonpeak hours 7:00 PM to 7:00 AM
* **Time is of the essence.** Prepare your forms before application.
* Upfront required documents and forms

1. SBA form 5, which is the business loan application. <https://www.sba.gov/sites/default/files/Disaster%20Business%20Loan%20Application.pdf>
2. IRS Form 4506-T, which gives the IRS permission to release your tax returns to the SBA. <https://www.irs.gov/pub/irs-pdf/f4506.pdf>
3. Most recent Federal Tax Returns
4. SBA Form 413, Personal Financial Statement <https://www.sba.gov/sites/default/files/forms/SBA_Form_413_7a-504-SBG.pdf>
5. SBA Schedule of Liabilities. SBA form 2202 <https://www.sba.gov/sites/default/files/2019-09/2202%20Schedule%20of%20Liabilities.pdf>
6. Additional Documentation may be required such as income statements, bank statements, deed/lease information, Employee Identification Number (EIN), monthly sales, etc

* Disaster loans are expedited, the SBA are expecting to fund disaster loan to start incremental payments in 1-3 weeks. The SBA will assign a loan officer to work with you during the duration of your loan.
* SBA Disaster Loan Terms and Rates. These loans fall under the Economic Injury Disaster Loan, as opposed physical disaster loans.

**SBA Disaster Loan Terms and Rates**

Eligible Businesses - Small businesses and private nonprofits

Max Borrowing Amount - $2,000,000

Term Lengths - Up to 30 years

Interest Rates - 3.75% (2.75% for nonprofits)

Fees - N/A

*\*Terms are determined on a case-by-case basis, based upon each borrower’s ability to repay*

**How can I use my SBA Disaster loan for COVID -19**

If your approved for this loan due to the current COVID – 19 economic losses/conditions, you will start receiving your funds in 2-3 weeks. You loan proceeds can be used for:

* Fixed Debts
* Employee paychecks
* Bills
* Outstanding invoices
* Business adaptations (delivery, online/mobile options, software systems, inventory, supplies, etc.)

**Additional Emergency Loan Options**

* One timeline of credit extension from your lending relationship
* Local or state government agency
* Additional Emergency Lenders BlueVine, Lendo, and Fundera

**Do Not Hesitate to Apply**