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.

Administrator Jovita Carranza
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.
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

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

- Completed SBA loan application (SBA Form 5).
- 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. (This is especially important for Economic Injury Disaster Loans.)
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 www.sba.gov/disaster. 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 and local Chambers of Commerce.

For the nearest office, visit: https://www.sba.gov/local-assistance
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.
Any Questions?

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

This presentation will provide guidance on how to complete an Electronic Business Application utilizing SBA Form 5 and SBA Form 5C. Before starting this process, please insure you have the filing requirements as defined in this document. These documents are required for processing an EIDL application.
Filing Requirements

Electronic Loan Application (Form 5)
Electronic Loan Application (Form 5C)  Sole Proprietorship Only
Tax Authorization (Form 4506-T) 20% Owners/GP/50% Affiliate
Most recent Business Tax Return
Personal Financial Statement (Form 413) 20% Owners/GP
Schedule of Liabilities (Form 2202)
Monthly Sales (Form 1368)  necessary but not a filing requirement
Disaster Loan Application Portal (DLAP)

DOUBLE-CCLICK ON THE LINK TO ACCESS THE SITE
https://disasterloan.sba.gov/ela/

DOUBLE-CCLICK APPLY ONLINE
Register

From this page you can:

1) Begin a new application by clicking on Register

2) Return to complete a started application by inputting a user name and password
Complete Registration Information

On page 1 of the registration, pay close attention to the sections with an *; these sections must be completed. It is important that a good email address and cell phone number are supplied.

On page 2 of the registration, you will create your unique user-name and password. When creating your security questions, make sure to use information you won’t likely forget. If your password ever requires a reset, you would need this information.

To advance to the next page, go next.
Apply Online

Double Click on Business and Non Profit

Double Click on "Apply Online"
Business Type

SBA Form 5 would be completed by:
- Corporations
- Partnership
- Private Non-Profit Organizations
- Limited Partnership
- Trust
- Limited Liability Entity

SBA Form 5C would be completed by:
Sole Proprietorship

Once you make your selection the system will automatically direct you to the form.
Select State /County / Disaster Declaration

Use the drop-down box and select the State and County where the loss has happened.

Select the disaster declaration.
Read and Electronically Agree to the Certification of Truthful Information and the Executive Orders Document.
This business type for this example is an LLC.

This page provides information on all the filing requirements necessary to have a successfully completed application.

To begin depress START
Fill in the information on this page as necessary, items with a red * are mandatory field and you will not be able to advance to NEXT until these sections are completed.
Page 2 of Form 5 allows the business owner to provide information about any Partners or Affiliate Businesses.

Note: If a business is a partnership all members must be listed with the % of ownership until the combined entries equal 100%

Page 3 is used for any relevant comments.
Now that the application is complete, the filing requirements on this page must be submitted / uploaded to complete the process.
You can use this form to complete your personal financial statement or upload a financial statement you already have by scanning and uploading that document.

If you indicated you have real estate you must complete this form, supplying additional information.
The applicant and any partner would need to provide information on assets and debits.
Schedule of Liabilities – SBA form 2202

Applicant would click on Schedule of Liabilities and either complete the SBA form or upload the applicant’s document.
The 4506T can be uploaded once the form is printed and signed. You would need to save a copy on your desktop, once saved browse find the document and upload.

You could also opt to deliver offline
Each Applicant and Partner must submit a 4506T

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

Request for Transcript of Tax Return

SBA requires you to complete the IRS Form 4506-T as a part of your disaster loan application submission. The form authorizes the IRS to provide federal income tax information directly to SBA. Please use this page to enter the additional data needed to populate IRS Form 4506-T.

Name shown on tax return: Chadwick G. Nelson
Current address (including apt., room, or suite no.), city, state, and ZIP code: 123 Main, Herndon, VA 20170

Previous address shown on the last return filed if different from current address:

Address Line 1
Address Line 2
City
State
Zip Code

Title of taxpayer or person authorized to obtain the tax information requested:

Tax Form Number(s):
- 12/31/2018
- 12/31/2017
- 12/31/2016

Signature(s):
[I declare that I am the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

NOTES: For transcripts being sent to a third party, this form must be received within 120 days of the signature date.

Prepared for:

SBA.gov
3-Step Loan Process
FEMA Disaster Assistance
Once the 4506 T is uploaded you will receive a message back indicating the transmittal was successful. Make sure all fields are complete. All partners must submit this form for their individual and business taxes.
To complete your application you must upload your most recent tax returns.

Taxes would be scanned and saved on the desktop. You would browse your desktop and then upload the tax returns.
Certificate as to Truthful Information

By certifying 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 13 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. 3371, 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 Certify

Previous

Next
Filing Requirements Complete

You can see that all filing requirements no longer say “start” what shows now is all filing requirements have been updated and the application is ready to submit.
Application Successfully Submitted

Once the application is successfully submitted you will get this page. In the right-hand corner a message indicator will appear. The message confirms submittal of the application.
Input your user-name and password to complete a started application, once in click on "Continue"
A Sole-Proprietor will use “Sole-Proprietor” and “Economic Injury (EIDL).
Home/Personal Losses

The Loan Application will walk you through the process. Click “Save” to save the input and click “Next” to navigate to the next page.
On the same line as the “Save” icon you also can see the “Progress” of the Disaster Loan Application.

Enter your “State” and “County”
Certification and Executive Order

Read the “Warning”, check “I Certify” then click “Next”.

Read the information, check “I have read...” then click “Next”.

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

Certification as to Truthful Information

By certifying the 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. 2087(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 18 U.S.C. 1001; 18 U.S.C. 1028; 18 U.S.C. 1038; 18 U.S.C. 1039; 18 U.S.C. 1044; 18 U.S.C. 2040; 18 U.S.C. 3712; 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 Certify

If you log out or close your browser now you will need to restart your application.

STATIONS REQUIRED BY LAWS AND EXECUTIVE ORDERS

Coastal Barrier Resources Act (Public Law 93-388)
Applicants whose property has been determined by the Federal Emergency Management Agency’s Flood Insurance Rate Maps (FIRM), to be in a Coastal Barrier Resource Area (CBRA), are ineligible for SBA loan assistance due to Public Law.

The Coastal Barrier Resources Act (Public Law 93-388) prohibits federal financial assistance to applicants located in the Coastal Barrier System. Consequently, under the provisions of the law, for those applicants in the Coastal Barrier Resource Area, SBA Disaster Assistance is precluded from making any loans for:

1. Replacement or repair of physical damages or
2. Funds for economic injury disaster or
3. Funds for indirect losses out of the Coastal Barrier Resources Area.

If you are a volunteer, or transient staying in the area on vacation, you may have eligibility for your personal property losses. To establish this eligibility you will be asked to provide documentation of your presence in the area at the time of the disaster and to support that your stay was temporary in nature.

REAL ESTATE REPAIRS/Texas Homeowners LAW
If you intend to apply for any SBA funds to repair your home or family business, please carefully read and comply with the following. Texas law provides extensive protection for “homeowners” property. Homeowners property includes your personal residence and, in many cases, your family business. Texas homestead law directly affects SBA, as well as other lenders, who provide funds for the repair or acquisition of homestead property.

In order for SBA to place a valid lien on homestead property, you and a contractor must: 1) sign a Mechanic’s and Materialmen’s Lien Contract (H & M Lien), Mechanic’s Lien Note and Assignment of Mechanic’s Lien, before you begin your repairs, and; 2) file the signed contract for record in the County Recorder’s Office of the county where your property is located. If you are applying for SBA funds to begin your repairs, SBA will prepare and include all required mechanic’s lien documents with your closing papers, if and when your loan is approved.

☑ I have read the Statements Required by Laws and Executive Orders.

If you log out or close your browser now you will need to restart your application.
Filing Requirements

To continue with the application process click “Start” to complete SBA Form 5C.
Completing Form 5C - Sole Proprietor Loan Application

Fill in the information blocks and then hit next. Fields marked with a red asterisk is a required field.
Fill in the information blocks and then hit next. Fields marked with a red asterisk is a required field.
Form 5C continued - Debts and Assets Information

Fill in the information blocks and then hit next. Fields marked with a red asterisk is a required field.

### Debts and Assets Information

#### Debts

<table>
<thead>
<tr>
<th>Name</th>
<th>Monthly Payment/Rent</th>
<th>Current Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage L</td>
<td>$1,000.00</td>
<td>$600,000.00</td>
</tr>
</tbody>
</table>

#### 2nd Mortgage Holder Name (if applicable)

<table>
<thead>
<tr>
<th>Name</th>
<th>Monthly Payment/Rent</th>
<th>Current Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Real Estate Taxes (per year)

<table>
<thead>
<tr>
<th>Homeowner's Insurance (per year)</th>
<th>Condos/Townhome/HOA/Co-Op Fees (per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,500.00</td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

#### Other Debt

<table>
<thead>
<tr>
<th>Name of Creditor</th>
<th>Monthly Payment</th>
<th>Current Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Assets

**Pre-disaster values:**

- **Cash, Bank Accounts and Marketable Securities (e.g. Stock & Bonds, CDs, etc.)** (Not including retirement accounts): $95,000.00
- **Retirement Accounts (e.g. IRAs, Keogh, TSP or other similar accounts):** $20,000.00
- **Personal Property (furniture, appliances, vehicles, RVs, etc.):** $35,000.00
- **Primary Residence:** $250,000.00
- **All Other Real Estate (describe):** Other Real Estate Description $0.00

#### Other Disaster Assistance

- **FEMA Registration Number:**
- ***Other than FEMA, have you received any grant award (i.e. city grants, county grants, state grants, etc.):*** Yes No
- **State Amount:** State Amount Other Amount Other Amount Describe Other Disaster Assistance Description

[Previous]
Fill in the information as required and then hit next. Fields marked with a red asterisk is a required field.
Read the information, check “All the information...” then click “Next”.

Additional Comments are used for clarifying or additional information. Click “Next” to continue the process.
Form 5C continued - Affiliated Businesses

Fill out the Affiliated Business information then click “Save”.

To continue the process click “Next”.

Disaster Loan Application #2000003704 Progress

Affiliated Businesses

Please complete the affiliate information below for each applicant and/or owner that owns more than 50% of, or are a Managing Member or General Partner of a corporation, partnership, limited partnership, or LLC.

After you’ve entered the affiliated business information, click "Save" to add it to your list.

The names listed below are the applicants or owners that answered YES to “Do you own more than 50% or are you a Managing Member or General Partner of a corporation, partnership, limited partnership, or LLC?” If the answer was entered incorrectly for any applicant or owner, click the "Remove" button to change the answer to NO and remove them from this list.
Completing IRS Form 4506-T

Once you have finished the SBA Form 5C, the tax transcript information will need to be completed.
Form 4506-T can be submitted electronically, via upload or offline. If the eSign option populates click through the options until the document is successfully completed. If you upload the document you would save it on your desktop, select browse and then upload.
If you chose to deliver a copy this alert will appear. And you will no longer be able to upload information. The document will have to be submitted offline.

**Request for Transcript of Tax Return - Download / Upload**

- **Download** the completed Request for Transcript Of Tax Return for JOHN WESLEY JONES Jr.
  
The data collection for your Request for Transcript of Tax Return (IRS Form 4506-T) is complete. Click the download button below to save your document.

- **Sign and date** the document.
  
  Once downloaded and printed, be sure to sign and date the document.

- **Include the signed document with your application.**
  
  Scan and attach your signed Request for Transcript of Tax Return (IRS Form 4506-T).

  - **File Name**
  
    Use the browse and upload button to attach your signed document.

    Attached file must be an unprotected file in PDF format less than 38MB.

  OR

  If you are unable to attach a signed copy of the printed document, you may skip this step and submit it offline by other methods outlined in the document delivery options page.

  The signed paper document must be received by the SBA before processing of your application can begin.

  - **I agree to deliver a copy of the completed document to the SBA.**

  [Next]
Once you have downloaded your tax returns you can upload.

Successfully Uploaded will appear when finished. Then click “Next” to continue the process.
Once the tax returns are complete sign the final Truthful Information Statement.
Finally you can submit your application when the “Submit” icon appears.
Application Submission Confirmation

After submission you will see that your application number has been submitted.

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

Application Submission Confirmation
Application number 2000003700 has been submitted.

Please download and retain your submitted document(s) for your records.

Click here to return to your home page.

If you are finished, you can log out of the application. Logging out of the application will clear your activity from your browser’s memory. This is especially important if you use a shared or public computer.
Message Center

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

Message Center
Click on any message to view the contents. Clicking the Delete link will delete the message immediately.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Received</th>
<th>Delete</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA Application No. 20000003700 - Submit Confirmation</td>
<td>3/14/2020 4:11:39 PM</td>
<td></td>
</tr>
</tbody>
</table>

« Home Page

SBA.gov
3-Step Loan Process
FEMA Disaster Assistance
After completing your application, you automatically return to the home page.

From here, you can check the status of your application by clicking the “Status” icon.
### Application Status

**Disaster Loan Assistance**

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

**Application Status**

<table>
<thead>
<tr>
<th>Current Application Status: RECEIVED-IN REVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Number: 2000003700</td>
</tr>
<tr>
<td>Loan Type: Home</td>
</tr>
<tr>
<td>Disaster Name: VA-00485 - 2020 AGENCY DISASTER IN VIRGINIA GEO - 1.50</td>
</tr>
<tr>
<td>Status Change Date: March 14, 2020</td>
</tr>
<tr>
<td>Status Description: We received your SBA disaster loan application and we are reviewing it to make sure you have submitted the required documents needed to process your loan request. We will contact you if you need to submit additional information in order to complete your loan application.</td>
</tr>
</tbody>
</table>

[Home Page](https://SBA.gov)  
3-Step Loan Process  
FEMA Disaster Assistance
Special Note

If you receive a message like the one below, depress “SAVE” so that you don’t lose your information.
Thank You