

SBA To Provide Economic Support For Coronavirus Related Economic Disruptions



U.S. Small Business
Administration

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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

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 Basics

What are 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.

Collateral - Not required for loans under \$25,000. Loans over \$25,000 SBA will seek collateral that is available.



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: [DisasterLoan.sba.gov](https://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

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 (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 & 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.sbtcdc.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/>

Other 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.

Other 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.

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.

Any Questions?



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