

Small Business Fact Sheet

- The U.S. Small Business Administration (SBA) is offering 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 Governor, the SBA has announced it will issue an Economic Injury Disaster Loan declaration for that state.
- The SBA's Economic Injury Disaster Loan assistance will make low-interest loans available to small businesses and private, non-profit organizations to help alleviate economic injury caused by COVID-19.
- Once the SBA has approved New York State's request, information on the application process for Economic Injury Disaster Loan assistance will be made available at SBA.gov/disaster.

Economic Injury Disaster Loan Details

- The loans offer up to \$2 million in assistance per small business experiencing a temporary loss of income due to COVID-19.
- Loans may be used to pay fixed debts, payroll, accounts payable, and other bills that are unable to be paid due to COVID-19.
- Interest rates are 3.75% for small businesses without credit available elsewhere and 2.75% for non-profit organizations.
- Maximum term for loan repayment is 30 years.
- The typical timeline for loan approval is 2-3 weeks and disbursement can take up to 5 days.
- Borrowers are assigned an individual loan officer for servicing of the loan.

Eligibility

- Small businesses without credit available elsewhere (Applicants must provide a loan declination letter from their bank, or an offer that is not comparable to the SBA's interest rates in order to qualify) and non-profit organizations.
- For additional information about the SBA's Economic Injury Disaster Loan, please contact the SBA disaster assistance customer service center at 800-659-2955 or e-mail disastercustomerservice@sba.gov.

If you need additional information or assistance, or if you apply for a loan and are denied, please contact Tom Curry in my District Office via email at tom.curry@mail.house.gov.

Preparing for an SBA Loan

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.
- 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.

What forms and documentation will I need to apply?

- 3 years of past tax returns – personal and business.
- Identification – license, passport, social security card.
- Make sure financial statements are current or readily available ***if you need to pay for these, wait for confirmation from your loan officer.**
- Make sure other business documents are in order – e.g. corporate paper work.
- Most recent bank statements – last 3 months.
- A business loan declination letter from your bank.

Applicants are not obligated to accept loan offers once made. Please consult with your accountant to make sure this makes sense for you and your business.

Does the SBA require collateral?

- 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.

What do I do before and while the loan application is being processed?

- Contact your bank for a business loan. If you are approved for a loan at 3.75% or comparable rate, the SBA will not offer you something better.
- Contact your vendors. Work with them to get better payment terms than you currently have.
- Prioritize your vendor payments according to your most crucial services and the vendor's ability to work on better terms of payment.
- Make good faith payments to vendors and employees to stay as current as possible.
- If you haven't already, work with your accountant to file your 2019 tax returns as quickly as possible.
- Prepare income statements complete with monthly sales reports from 2019 and 2020 to date.

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