

**Stay Home  
No Time Wait  
Be Smart**

**Stop the Spread  
Focus on the Right Crisis  
Stay Tough**

**Save Lives  
The Time is Now  
Act for Others**

SBA Disaster Loans Economic Injury Disaster Loan (EIDL)

Webinar RE: How to Submit an EIDL Application

Presented by: Kiana Hamilton, of the Richmond SBA Office on 3-25-2020

<https://www.sba.gov/funding-programs/disaster-assistance>

- Required disaster declaration is in place in Virginia.
- Only available to small businesses and private, non-profit organizations to help alleviate economic injury caused by the Coronavirus (COVID-19).
- Available as a working capital loan for operational expenses
- Specific underwriting criteria will not be disclosed but is based in part on:
  - Entity's repayment ability
  - Personal credit scores—no additional information available about this aspect
    - Note make sure to unfreeze your credit if it is frozen
- Loan terms
  - Loans below \$25,000 do not require collateral, above \$25K requires collateral, but SBA can take a 3<sup>rd</sup> 4<sup>th</sup> or 5<sup>th</sup> position
  - Repayment can be stretched out 30 years, at 3.7% interest rate for small businesses, 2.7% private non-profits. 12 months deferment on initial loan payments.
- Loan Specific questions are best handled by the SBA Disaster Loan Center
  - Contact information at the bottom
- Advice for Businesses
  - Apply as early as possible, and make sure your application is as complete as possible
  - There is NO cost to apply
  - Unique to the EIDL Loan, entities do not need to approach a private sector lender before applying for this SBA loan. **This loan allows an entity to apply directly to SBA.**
  - Try to file your 2019 taxes or at least have your 2019 profit and loss statement and 2018 taxes ready to submit.
  - Be ready and available to respond to SBA questions when they review your information
- SBA staff recommend downloading all required forms, as the disaster loan site is getting overwhelmed and is not accessible at times. This will allow an entity to complete them, even if the site is not available. There is very, very high traffic currently.
  - These are the required forms:
    - Electronic Loan Application (Form 5)
    - Electronic Loan Application (Form 5C) Sole Proprietorship Only
    - Tax Authorization (Form 4506-T) 20% Owners
    - Most recent Business Tax Return
      - If not 2019, then 2018 with the 2019 P&L statement
    - Personal Financial Statement (Form 431) 20% Owners

- Schedule of Liabilities (Form 2202)
  - It is possible to provide scanned hardcopies of items, but make sure to place blank pages between documents.
    - If a file size is greater than 7MB, than you will likely need to split an item into multiple files
      - Label them as ABC-1 and ABC-2 and so on.
  - DO NOT submit hard copies of applications to your local SBA office
- Follow these directions when accessing [www.disaster.sba.gov/ela](http://www.disaster.sba.gov/ela)
  - Again there is heavy traffic; try to access the site between 7pm-7am EDT.
  - Use Microsoft Edge as the web browser to avoid problems.
- First steps (not all of the steps, but the most important for getting started)
  - Create a username and password
  - Login to the site with username
    - Select businesses/nonprofit
    - Make sure you double check each page before advancing to the next page
    - Make sure to save your progress regularly as the site is crashing
    - Check the economic injury box
  - Please do all you can to avoid physical document submission.
    - SBA asks that you please do things electronically!
- Apply for the highest amount of funding you might need, easy to reduce amount, but harder to increase. Think about 6 months of loss as a way to determine your amount
  - If denied you have 6 months to re-apply again.
- Make sure to print or save you application to your desktop
- Applications can be tracked using the SBA system
- Approvals are expected within 21 days.
  - Closing to happen a few days later, depending on when you can provide signed promissory note.
- FOR HELP
  - Send questions to the Disaster Loan Center Customer Service Center
  - SBA Disaster Customer Service Center
    - Call 1-800-659-2955
    - Email: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)
  - Richmond District Office 804-771-2400
    - The Richmond Office will put together a FAQ page.