

SBA Disaster Relief Update and Things You Can Do NOW to Prepare

March 19, 2020 - New York State has just received disaster declaration for the COVID-19 Incident. This declaration opens the application process for NY small business to apply for the Economic Injury Disaster Loan (EIDL) program.

Other than working with your own bank for your financial needs, the SBA disaster loan is the only 'disaster assistance' available at the present time for economic losses that you may be experiencing. It is likely, and from our experience, that other programs will roll out. At this time, you may wish to begin the process of applying. We would also like to manage expectations: This is NOT a quick process.

Program Details

- Must be experiencing a business loss due to COVID-19
- Entities may qualify for loans up to \$2million
- Maximum unsecured loan amount is \$25,000.00
- Interest rates: 3.75 for small business. 2.75% for Not for profit
- Term – up to 30 years
- Use of funds: working capital, pay fixed debts, payroll, account payable, other bills that could have been paid had the disaster not occurred.
- Loans are NOT intended to replace lost sales or profits or for expansion.
- There is no obligation to take the loan if offered.
- Applicants can have an existing SBA Disaster loan or other SBA loan and still qualify for EIDL for this disaster, LOANS CANNOT BE CONSOLIDATED

SBA DISASTER LOAN PROGRAM: ***YOU WILL BE APPLYING FOR ECONOMIC INJURY – (EIDL)***

You will access the SBA loan program at: <https://disasterloan.sba.gov/ela> –

You can access the application forms at: <https://disasterloan.sba.gov/ela/Information/PaperForms>

NOTE: Loan applications are to be submitted online. Printing out the forms and completing first may be helpful before you submit the final application.

READ and FOLLOW INSTRUCTIONS:

The forms will either be uploaded or the information will be used as part of your application. **It is advised that you work on completing all documents.** Please note: you need to answer all questions and make sure you sign in all the appropriate places.

BASIC FILING REQUIREMENTS

- Completed SBA loan application – SBA form 5 (for sole proprietors / home based businesses you will fill out Form 5c)
- IRS Form 4506-T completed and signed by Applicant business, each principal owning 20% or more of the applicant business, each general partner or managing member and, for any owner who has more than a 50% ownership in an affiliate business. (Affiliates include parent company, subsidiaries, and/or businesses with common ownership or management).
- Completed copies of the most recent Business Federal Income Tax return – all pages
- Schedule of Liabilities (SBA form 2202)
- Personal Financial Statement (SBA form 413) - each principal owning 20% or more of the applicant business, each general partner or managing member.

OTHER INFORMATION THAT MAY BE REQUESTED

These forms/documents will likely be requested at some point in the application process. If you have an opportunity to upload them onto the online platform during this process, you may do so. This can save you time.

- Complete copy, including all schedules, of the most recent personal Federal income tax returns for each principal owning 20% or more of the applicant business, each general partner or managing member, and each affiliate (Affiliates include parent company, subsidiaries, and/or businesses with common ownership or management).
- If you do not have 2019 business tax return completed: submit year end profit and loss statement and balance sheet for 2019.
- Current year-to-date profit and loss statement and balance sheet
- SBA form 1368

HELPFUL TIPS:

- Keep these documents saved where you can easily access them. Other programs that may become available will likely ask you for these same documents.
- WRITE DOWN YOUR USER NAME AND PASSWORD WHEN REGISTERING FOR THIS PROGRAM
- WRITE DOWN THE ANSWERS TO YOUR SECURITY QUESTIONS
- YOU WILL BE APPLYING FOR ECONOMIC INJURY – (EIDL)
- CONTINUALLY SAVE AS YOU WORK THROUGH THE APPLICATION PROCESS
*UPPER RIGHT SIDE OF THE SCREEN
- WHEN IN DOUBT GIVE MORE INFORMATION NOT LESS
- SUPPLY AN ALTERNATE WAY TO CONTACT YOU *YOU DO NOT WANT TO MISS THEIR CALLS OR COMMUNICATION
- ANSWER HONESTLY

The most common reason for delays in processing is due to missing information. Make sure to complete all filing requirements before submitting the application and forms.

If you would like to contact the SBA in regard to their loan process:

By Phone: 1-800-659-2955 (TTY/TDD: 1-800-877-8339)

By Email: disastercustomerservice@sba.gov

The Farmingdale SBDC is available to assist. NOTE: we are working remotely - when you call please be patient for a call back. We will call you ASAP – the call volume has been heavy but we are doing our best as we work to serve you through this difficult time.

Contact: 934-420-2765 or email sbdc@farmingdale.edu

If your business is not located in Nassau County, there are SBDC offices throughout the State. Click on the following link to locate your nearest SBDC if you wish. <http://nyssbdc.org/locations.html>