

# SBA To Provide Economic Injury Disaster Loans For Coronavirus Related Economic Disruptions



U.S. Small Business  
Administration

# SBA's Economic Injury Disaster Loan Basics

## 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.)



# 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](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.

# Basic Filing Requirements

- Completed SBA loan application (SBA Form 5 or 5C).
- 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).

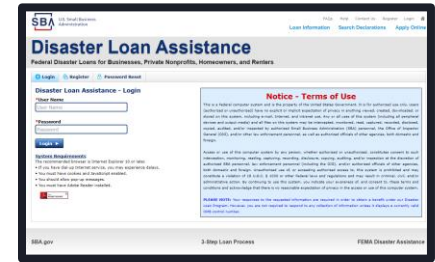
Other Information may also be requested.

*\*Although a paper application and forms are acceptable, filing electronically is easier, faster and more accurate.*

This is the SBA Form 5, titled "U.S. Small Business Administration Disaster Business Loan Application". It is a detailed form for businesses seeking disaster relief. The form includes sections for: 1. "ABLE TO APPLY FOR" with checkboxes for Physical Damage, Economic Injury (EIDL), Business Contents, and Military Reservist EIDL (MREIDL). 2. "PLEASE PROVIDE ALL INFORMATION ON DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS." 3. "BUSINESS TYPE" with checkboxes for Sole Proprietorship, Partnership, Limited Partnership, Corporation, and Federal E.I.N. 4. "APPLICANT'S LEGAL NAME" and "TRADE NAME (if different from legal name)". 5. "MAILING ADDRESS" and "BUSINESS ADDRESS". 6. "ALTERNATE WAY TO CONTACT YOU" with fields for telephone, cell, and email. 7. "DATE BUSINESS ESTABLISHED". 8. "AMOUNT OF ESTIMATED LOSS" and "INSURANCE COVERAGE OF ANY". 9. "BUSINESS ACTIVITY" and "NUMBER OF EMPLOYEES". 10. "CURRENT MANAGER". 11. "PHONE NUMBER OF INSURANCE AGENT".This is the SBA Form 5C, titled "U.S. Small Business Administration Disaster Home/Sole Proprietor Loan Application". It is a form for individuals seeking disaster relief. The form includes sections for: 1. "PLEASE PROVIDE ALL INFORMATION ON DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS." 2. "BUSINESS TYPE" with checkboxes for Sole Proprietorship, Partnership, Limited Partnership, Corporation, and Federal E.I.N. 3. "APPLICANT'S LEGAL NAME" and "TRADE NAME (if different from legal name)". 4. "MAILING ADDRESS" and "BUSINESS ADDRESS". 5. "ALTERNATE WAY TO CONTACT YOU" with fields for telephone, cell, and email. 6. "DATE BUSINESS ESTABLISHED". 7. "AMOUNT OF ESTIMATED LOSS" and "INSURANCE COVERAGE OF ANY". 8. "BUSINESS ACTIVITY" and "NUMBER OF EMPLOYEES". 9. "CURRENT MANAGER". 10. "PHONE NUMBER OF INSURANCE AGENT".



# 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](http://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](mailto:disastercustomerservice@sba.gov).

# 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.

# Disaster Loan Application Portal (DLAP)

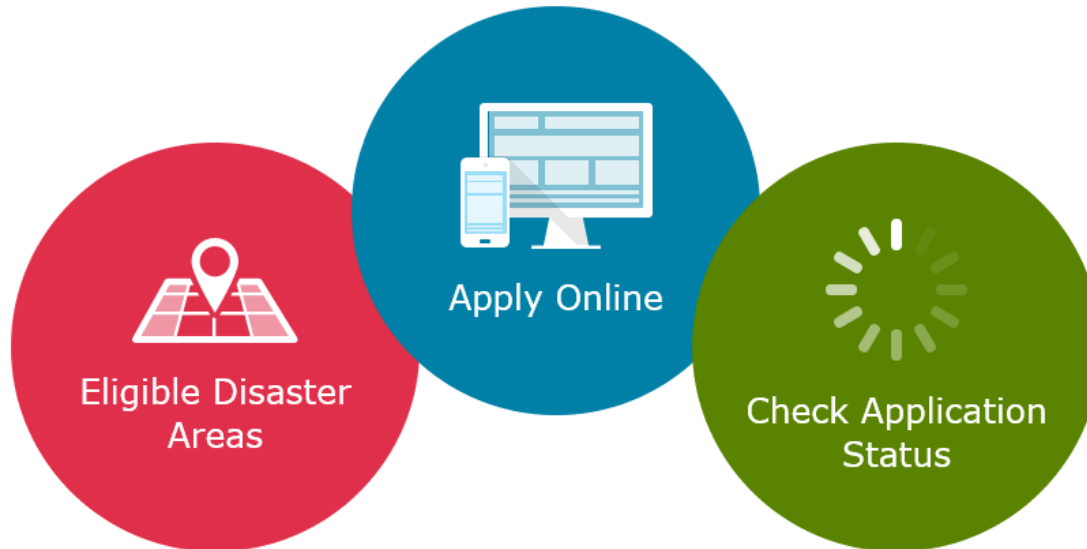


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## Disaster Loan Assistance

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



# 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)

# Disaster Loan Application Portal (DLAP)

DOUBLE-CLICK ON THE LINK TO ACCESS THE SITE

<https://disasterloan.sba.gov/ela/>



FAQs Help Contact Us Register Login **Apply Online**

## Disaster Loan Assistance

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

