



Small Business Assistance in Response to COVID19

**U.S. Small Business Administration (SBA)
Baltimore District Office (BDO)**

www.sba.gov/md

@SBA_Baltimore

Small Business Assistance in Response to COVID19

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Small Business Assistance Programs in Response to COVID19

- Economic Injury Disaster Loan (EIDL)
- Economic Injury Disaster Loan Advance
- Paycheck Protection Program (PPP)

Economic Injury Disaster Loans (EIDLs)

The SBA is now offering **low-interest, long-term federal disaster loans for working capital** to organizations suffering substantial economic injury as a result of the COVID-19 pandemic.

All Maryland small business are eligible to apply for these loans.

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Economic Injury Disaster Loans (EIDLs) are specifically available to the following organizations directly affected by the disaster:

- Small businesses within the *SBA Size Standards* (visit <https://www.sba.gov/size>)
- Small agricultural cooperatives & aquaculture businesses
- Private non-profit organizations (regardless of size)

What are some types of organizations that are ineligible to receive an Economic Injury Disaster Loan?

- **Religious organizations**
- **Charitable organizations**
- **Gambling concerns** (i.e., businesses that derive more than 1/3 of their annual gross revenue from legal gambling activities)

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How much can I borrow?

- Eligible entities may qualify for loan amounts of **up to \$2 million.**
- Interest rates on this disaster loan are **3.75 % for small businesses** and **2.75 % for non-profit organizations.**
- Terms of up to 30 years are available with **the first payment due 12 months after funds are issued.**

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How can I use EIDL funds?

- These are **working capital loans** that may be used to **pay fixed debts, payroll, accounts payable, and other bills** that could have been paid had the disaster not occurred.
- EIDLs help entities stay afloat during the declared disaster, ready to “restart” their operations once circumstances allow.
- EIDLs are **not meant for business expansion.**

General Loan Approval Criteria

Credit History – Applicants must have a credit history acceptable to the SBA.

Repayment Ability – The SBA must determine that the applicant business has the ability to repay the Economic Injury Disaster Loan

Eligibility – The applicant business must be physically located in a disaster-designated area and have suffered working capital losses due to the declared disaster.



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What are the collateral requirements?

- Economic Injury Disaster Loans of **over \$25,000 require collateral.**
- The SBA takes real estate as collateral when it is available.
- The **SBA will not decline a loan for lack of collateral** but requires borrowers to pledge what is available.
- Given the severity of the COVID-19 pandemic and its economic impacts, the **SBA will make reasonable efforts to work with applicants toward a favorable decision.**



EIDL Advance

- An emergency advance of up to \$10,000
- **To access the advance, you MUST first apply for an EIDL Loan and then request the advance when prompted**
- The Advance does NOT need to be repaid
- Can be used to keep employees on payroll, pay for sick leave, pay business obligations (rent, debts, mortgage payments, etc.) and meet increased production costs due to supply chain disruption

Apply Online:

New & improved streamlined process

<https://covid19relief.sba.gov/#/>

1. Apply for EIDL Loan
2. Check box to request Advance when prompted, if desired

Disaster Loan Application



OMB Control #3247-0406

Expiration Date: 09/30/2020

Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

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Items marked with an *asterisk are required.
You cannot move through the application without completing each step.

If you are having trouble loading the webpages, try another browser (Chrome, Edge, Internet Explorer)

Questions?

disastercustomerservice@sba.gov

800-659-2955

Hard-of-hearing customers can call 800-877-8339

Paycheck Protection Program (PPP)

- A loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.
- SBA will forgive a portion of the loan if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.
- Consult with your existing bank or visit <https://www.sba.gov/paycheckprotection/find>

PPP – Who Can Apply?

- Any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
- Businesses in certain industries may have more than 500 employees if they meet the [SBA's size standards](#) for those industries.
- Small businesses in the hospitality and food industry with more than one location could also be eligible if their individual locations employ less than 500 workers.

PPP – How Does It Work?

- The 8 week portion of the loan will be fully forgiven **IF** the funds are used for payroll costs, interest on mortgages, rent, and utilities (at least 75% of the forgiven amount must have been used for payroll).
- Loan payments will also be deferred for six months.
- No collateral or personal guarantees are required.
- Neither the government nor lenders will charge small businesses any fees.
- Forgiveness is based on the employer maintaining or quickly rehiring employees & maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries & wages decrease.
- This loan has a maturity of 2 years and an interest rate of 1%.

Local Assistance

SBA Resource Partners (offering free business counseling) are available to help you with disaster assistance or general business assistance.

Offices are closed due to social distancing, but counseling is available by phone, email or video chat. For more information:

SCORE

<https://www.score.org/coronavirus-sba-loans>

MD SBDC

<http://www.mdsbdc.umd.edu/>

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Follow us on Twitter
@SBA_Baltimore
for real-time updates & program notices.

Sign up to receive email announcements at
<https://www.sba.gov/updates>
Be sure to include your local zip code.

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For detailed information on all SBA programs and services related to COVID-19, visit

<https://www.sba.gov/coronavirus> or

<https://www.sba.gov/page/coronavirus-covid-19-orientacion-y-recursos-de-prestamos-para-pequenas-empresas> (en español).

For information on all COVID-19 federal programs, visit

<https://www.usa.gov/coronavirus> or

<https://www.usa.gov/espanol/coronavirus> (en español).

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Thank You!