



U.S. Small Business
Administration

U.S. SMALL BUSINESS ADMINISTRATION

SBA

DISASTER ASSISTANCE

Man-Li Lin

Economic Development Specialist
U.S. Small Business Administration

Man-li.lin@sba.gov

SBA's Programs and Services

- Counseling - Business Training & Education
 - SCORE, SBDC & WBC
- Capital - Access to Government Guaranties
 - Microloans/Community Advantage
 - 7(a)/Express, 504 Loan Programs
 - Surety Bond Guaranty Program
- Contracting - Selling to the U.S. Government
 - 8(a) Business Development & HUBZone Certification
- Disaster Assistance
 - Physical Damage & Economic Injury Loans

SBA's Disaster Assistance for Small Business

On March 27, 2020, Congress passed and the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act -- a landmark \$2 trillion stimulus package addressing the impact of COVID-19. The package includes substantial relief for small business, including:

- **Economic Injury Disaster Loans and Advance (forgiven):** An additional \$10 billion in funding for SBA Economic Injury Disaster Loans (EIDL), with emergency grants of up to \$10,000 to provide immediate relief for small business operating costs. [Apply on SBA website.](#)
- **Paycheck Protection Program (partial forgiven loan) :** A \$350 billion loan program for small businesses and nonprofits to maintain existing workforce and help pay for other expenses like rent, mortgage, and utilities. [Apply on lenders' websites.](#)
- **Small Business Debt Relief:** \$17 billion for the Small Business Administration (SBA) to cover 6 months of payments for small businesses with existing SBA loans, including 7(a), Community Advantage, 504, and Microloan programs. [For business with SBA guarantee Loans.](#)

The [CARES Act](#) requires that SBA enact these programs with regulations within 15 days.

Paycheck Protection Program

<https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>

Loan Forgiveness

- **IF** proceeds used for payroll costs and other designated business operating expenses
- in the 8 weeks following the date of loan origination
- (due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs)
- The new loan program will be available retroactive from Feb. 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020.

USE OF FUNDS (1)

Payroll Costs including Benefits

- Salary
- Commissions
- Wages payment of cash tips (up to an annual rate of pay of \$100,000)
- Employee group health care benefits, including insurance premiums
- Retirement contributions
- Employee Benefits including costs for vacation, parental, family, medical, or sick leave

Payroll Costs for a Sole Proprietor or Independent Contractor

- Wages
- Commissions
- Income or net earnings from self-employment
- capped at \$100,000 on an annualized basis for each employee.

USE OF FUNDS (2)

Business Operating Expenses

- Interest payments on mortgage obligations, incurred before 2/15/2020
- Rent, under lease agreements in force before 2/15/2020
- Utilities, for which service began before 2/15/2020
- Interest on other debt obligations previously incurred

Paycheck Protection Program

- Maximum loan amount: the lesser of \$10MM or 2.5 times the average monthly small business payroll based on the prior year's payroll
- Interest rate of 1%
- Maturity of 2 years
- First payment deferred for six months
- 100% guarantee by SBA
- No collateral
- No personal guarantees
- No borrower or lender fees payable to SBA

Who can Apply

Eligible businesses: You were in operation on 2/15/2020

- Small businesses
- Non-profits 501(c)(3)
- Veterans organizations 501(c)(19)
- Tribal concerns 31(b)(2)(c)
- Sole proprietorships
- Self-employed individuals
- Independent contractors
- with 500 or fewer employees

Small businesses in the hospitality and food industries, including restaurants, hotels, etc., with more than one location are also be eligible if each location employs less than 500 workers.

Small Business Definition

<https://www.sba.gov/partners/contracting-officials/small-business-procurement/small-business-size-standards>

- General Requirements
 - Federal Small Business
 - Federal standard – **NAICS** (North American Industry Classification System)
 - Independently owned and operated
 - Franchises-www.franchiseregistry.com
- Maximum Size Restrictions Examples
 - Manufacturing- ≤ 500 Employees
 - Wholesaling- ≤ 100 Employees
 - Retail/Service- Avg. Sales \$4.5M to \$32.5M
 - Construction- \$14M to \$33.5M

Who can apply

- For this program, the SBA's affiliation standards are waived for small businesses
- (1) in the hotel and food services industries (NAICS code 72);
- (2) that are franchises in the SBA's Franchise Directory;
- (3) that receive financial assistance from small business investment companies (SBIC) licensed by the SBA. Additional guidance may be released as appropriate.

When to Apply

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders

How to apply?

<https://www.sba.gov/paycheckprotection/find>

- Form Sample
- <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

Documentation needed

- Payroll processor records/Payroll tax filings/Form 1099-MISC
- Income and expenses (sole proprietorship)

If you don't have any such documentation, you must provide supporting documentation: Bank records, sufficient to demonstrate the qualifying payroll amount.

How large can my loan be?

- Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount.
- That amount is subject to a \$10 million cap.
- If you are a seasonal or new business, you will use different applicable time periods for your calculation.
- Payroll costs will be capped at \$100,000 annualized for each employee.

How much of my loan will be forgiven?

You will owe money when your loan is due

- **If** you use the loan amount for anything other than
 - Payroll costs
 - Mortgage interest
 - Rent
 - Utilities paymentsover the 8 weeks after getting the loan.
- Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

Forgiven NOT

- **You will also owe money if you do not maintain your staff and payroll.**
- Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
- Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
- Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

How can I request loan forgiveness?

- You can submit a request to the lender that is servicing the loan.
- The request will include documents that verify the number of full-time equivalent employees and pay rates
- as well as the payments on eligible mortgage, lease, and utility obligations.
- You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments.
- The lender must make a decision on the forgiveness within 60 days.

What do I need to certify?

- Part of your application, you need to certify in good faith that:
 1. Current economic uncertainty makes the loan necessary to support your ongoing operations.
 2. The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
 3. You have not and will not receive another loan under this program

- You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
- Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
- You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted.
- You affirm that the tax documents are identical to those you submitted to the IRS.
- And you also understand, acknowledge, and agree that the lender can share the tax information with the SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Small Business Debt Relief

- This program will provide immediate relief to small businesses with non-disaster SBA loans, 7(a), 504, and microloans.
- Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months.
- This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

BEWARE OF SCAMS AND FRAUD

The Office of Inspector General

- The SBA **does not** initiate contact on either 7(a) or Disaster loans. If you are proactively contacted by someone claiming to be from the SBA, suspect fraud.
- The SBA **does not** provide grants to small businesses. The SBA provides guarantees to lenders to encourage them to make loans to small businesses. If you are contacted via social media about an SBA grant program for small businesses, suspect fraud.
- If you are contacted by someone promising to get approval of an SBA loan but requires any payment up front or offers a high interest bridge loan in the interim, suspect fraud.

BEWARE OF SCAMS AND FRAUD

The Office of Inspector General

- Look out for phishing attacks/scams utilizing the SBA logo. These may be attempts to obtain your personally identifiable information (PII) to obtain personal banking access, or to install ransomware/malware on your computer.
- If you are in the process of applying for an SBA loan and receive email correspondence asking for PII, ensure that the referenced application number is consistent with the actual application number.
- The SBA limits the fees a broker can charge a borrower to 3% for loans \$50,000 or less and 2% for loans \$50,000 to \$1,000,000 with an additional .25% on amounts over \$1,000,000. Any attempt to charge more than these fees is inappropriate.

BEWARE OF SCAMS AND FRAUD

The Office of Inspector General

- Any email communication from the SBA will come from accounts ending with **gov**.
- The presence of an SBA logo on a webpage **does not** guaranty the information is accurate or endorsed by the SBA. Please cross-reference any information you receive with information available at [sba.gov](https://www.sba.gov).
- If you have a question about getting an SBA disaster loan, call 800-659-2955 or send an email to disastercustomerservice@sba.gov.
- If you have questions about other SBA lending products, call the SBA's Answer Desk at 800-827-5722 or send an email to answerdesk@sba.gov.
- **Report Fraud**
- Report any suspected fraud to OIG's Hotline at 800-767-0385 or online at, <https://www.sba.gov/about-sba/oversight-advocacy/office-inspector-general/office-inspector-general-hotline>.

Economic Injury Disaster Loans and Advance (forgiven)

- On March 6, the U.S. Congress passed a COVID-19 preparedness and response supplemental funding bill that designated COVID-19 as a disaster under the Small Business Administration (SBA) and provided \$20 million to support the SBA's administration of loan subsidies to small businesses of up to \$2 million per loan.
- On March 27, Congress passed the CARES Act, adding \$10 billion to the loan program and waiving or relaxing several loan eligibility requirements.

Updated Information as of 3/27/2020

If you applied on the previous website for the EIDL up to \$2MM

- A **Robocall** will be going out to ALL those who have applied to the EIDL Program letting them know SBA Disaster Center have received their application.
- This includes the denials.
- Additionally, **an Email** will be sent to all the applicants as well stating the same.
- For those that provided neither an email or phone, **a Letter** will be sent.

New “EIDL Advance” on an EIDL Information as of 3 /28

- On Friday, March 27, 2020, President Trump signed into law the CARES Act, which provides additional assistance for small business owners, including the opportunity to receive **up to a \$10,000 Advance** on an Economic Injury Disaster Loan (EIDL) for emergency capital.
- The SBA is updating our system to implement this provision so small businesses can request an EIDL advance when they apply for the loan.
- This update will be available in the coming days. **In the interim period, you can still apply for a full Economic Injury Disaster Loan, but will need to reapply for the Advance when the system is updated with a streamlined application.**
- Once updated, the Advance will be included in your EIDL application process.

Advance on EIDL

New Information as of 3/30

- On March 27, 2020, President Trump signed into law the CARES Act, which provided additional assistance for small business owners and non-profits, including the opportunity to get **up to a \$10,000 Advance on an Economic Injury Disaster Loan (EIDL)**.
- This **Advance** may be available even if your **EIDL** application was declined or is still pending, and **will be forgiven**.

Advance on EIDL

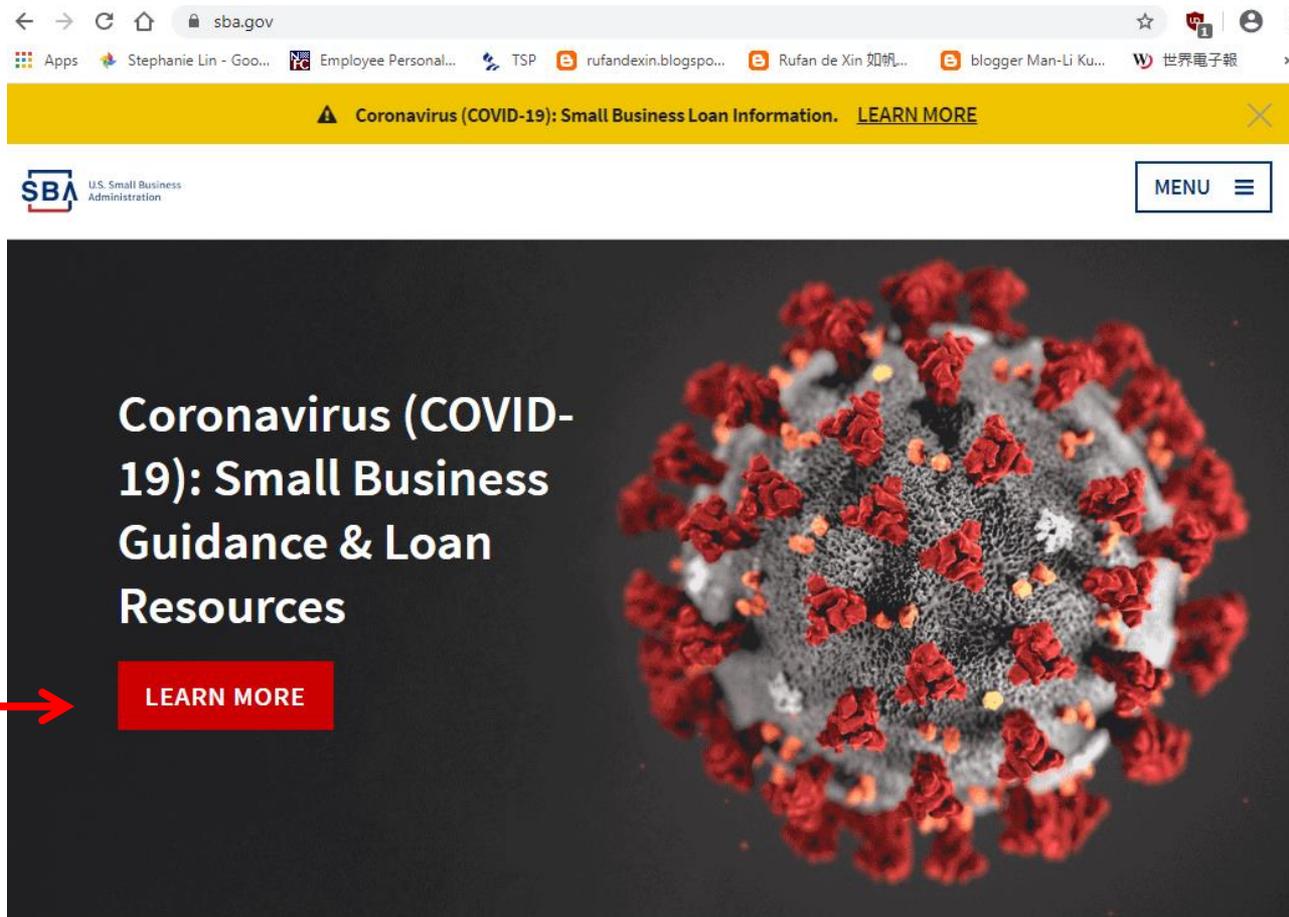
New Information as of 3/30

- If you wish to apply for the Advance on your EIDL, please visit www.SBA.gov/Disaster as soon as possible to fill out a new, streamlined application.
- In order to qualify for the Advance, you need to submit this new application even if you previously submitted an EIDL application.
- Applying for the Advance will not impact the status or slow your existing application.

- Also, we encourage you to subscribe to our email update via www.SBA.gov/Updates and follow us on Twitter at [@SBAgov](https://twitter.com/SBAgov) for the latest news on available SBA resources and services.
- If you need additional assistance, you can find your local SBA office and resource partners at www.SBA.gov/LocalAssistance.
- If you have questions, you may also call 1-800-659-2955.

www.sba.gov

Click "LEARN MORE"



The screenshot shows a web browser window with the URL sba.gov. A yellow notification bar at the top reads "Coronavirus (COVID-19): Small Business Loan Information. LEARN MORE". Below this is the SBA logo and the text "U.S. Small Business Administration". A "MENU" button is visible in the top right. The main content area features a large image of a coronavirus particle. Overlaid on the left side of this image is the text "Coronavirus (COVID-19): Small Business Guidance & Loan Resources". A red arrow points from the left edge of the image to a red button labeled "LEARN MORE" located at the bottom left of the main content area.

Click on Economic Injury Disaster Loan Program

Click on “Economic Injury Loan Program”

The screenshot shows a web browser window with the URL sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-0. A yellow banner at the top reads "Coronavirus (COVID-19): Small Business Loan Information. LEARN MORE". Below the banner is the SBA logo and a "MENU" button. A "Content" section is visible, with a red arrow pointing to the "Economic Injury Disaster Loan Program" link. Other links in the list include "SBA Express Bridge Loans", "Guidance for Businesses and Employers", "SBA Products and Resources", "Government Contracting", and "Local Assistance". Below the list, the heading "Economic Injury Disaster Loan Program" is displayed, followed by the text: "Small business owners in all U.S. states and territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19). [Click here to apply.](#)"

Click “APPLY FOR ASSISTANCE”

The screenshot shows a web browser window with the URL sba.gov/funding-programs/disaster-assistance. A yellow banner at the top contains a warning icon and the text "Coronavirus (COVID-19): Small Business Loan Information. [LEARN MORE](#)". The SBA logo and "U.S. Small Business Administration" are in the top left, and a "MENU" button is in the top right. The main content area features the heading "Disaster assistance" and the text "The SBA provides low-interest disaster loans to help businesses and homeowners recover from declared disasters." Below this, a red arrow points to a red button labeled "APPLY FOR ASSISTANCE".

Disaster assistance

The SBA provides low-interest disaster loans to help businesses and homeowners recover from declared disasters.

APPLY FOR ASSISTANCE

Click on “click here”

The screenshot shows a web browser window with the URL sba.gov/page/disaster-loan-applications. A yellow banner at the top contains the text "Coronavirus (COVID-19): Apply for an Economic Injury Disaster Loan" and a "CLICK HERE" link. The SBA logo and "U.S. Small Business Administration" are in the top left, and a "MENU" button is in the top right. The main heading is "Disaster Loan Applications" with the subtext "Find out how to apply for SBA Disaster loans". Under the "Content" section, there are several blue links: "Economic Injury Disaster Loans", "Home Loans or Sole Proprietor Loans", "Mailing instructions", "Useful links", and "Get help". Below this, the heading "Economic Injury Disaster Loans" is repeated, followed by the text "To apply for a COVID-19 Economic Injury Disaster Loan, [click here.](#)". A red arrow points from the "click here" link in the text above to the "click here" link in the text below.

STREAMLINED PROCESS REQUIREMENTS

New procedure as on 3/29 at 8:20pm

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.

ELIGIBLE ENTITY VERIFICATION

STREAMLINED PROCESS REQUIREMENTS

5 STEPS



1. Disclosures
2. Business Information
3. Business Owners Information
4. Additional Information
5. Summary

STREAMLINED PROCESS REQUIREMENTS

Step 1 - Disclosures

- 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.

Eligible Entity Verification **Check One**

ELIGIBLE ENTITY VERIFICATION

Choose One:

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

Choose One

(1-2)

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.

Choose One

(2-2)

- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

Review and Check All of the Following:

Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

- Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
- Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- Applicant is not in the business of lobbying.
- Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

If you have questions about this application or problems providing the required information, please contact our Customer Service Center at 1-800-659-2955 or (TTY: 1-800-877-8339) DisasterCustomerService@sba.gov.

Continue >

Review and Check All of the Following: (1-2)

Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

- Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.

- **Review and Check All of the Following: (2-2)**
- Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient **sexual nature**.
- Applicant does not derive more than **one-third** of gross annual revenue from legal **gambling** activities.
- Applicant is not in the business of **lobbying**.
- Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

Step 2 - Business Information



Step 1 of 3

Business Information

Business Legal Name *

Trade Name *

EIN/SSN for Sole Proprietorship *

Organization Type *

Is the Applicant a Non-Profit Organization? *

Yes No

Is the Applicant a Franchise? *

Yes No

Business Description *

Step 2 - Business Information

- Business legal Name
- Trade Name
- EIN/SSN for Sole Proprietorship
-
- Organization Type
- Is the applicant a Non-profit organization?
- Is the applicant a Franchise?

- Gross Revenues for the Twelve (12) Month Prior to the Date of the Disaster (January 31, 2020)
- Cost of Goods sold for the Twelve (12) Month Prior to the Date of the Disaster (January 31, 2020)
- Rental Properties (Residential and Commercial) Only – Lose Rents Due to the Disaster
- Non-Profit Cost of Operation for the Twelve (12) Month Prior to the Date of the Disaster (January 31, 2020)

- Combined Annual Operating Expenses for the Twelve (12) Month Prior to the Date of the Disaster (January 31, 2020)
- List the Secular Social Services Provided by the Faith Base Entity
- Compensation From Other Sources Received as a Result of the Disaster
- Provide Brief Description of Other Compensation Sources.

Step 2: Business Information

- Primary Business Address (Cannot be P.O. Box)
- City
- State
- County
- Zip
- Business Phone
- Business Fax
- Business Email

- Date Business Established
- Current Ownership Since
- Business Activity
- Detailed Business Activity
- Number of Employees (As of January 31, 2020)

Next

Step 3: Business Owners Information

- First name
- Last name
- Mobile Phone
- Title/Office
- Ownership Percent
- Email
- SSN
- Birth Date
- Place of Birth
- U.S. Citizen?
- Residential Street Address
- City
- State
- Zip

Next

Additional Information (1-2)

- In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?
- Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?

Additional Information (2-2)

- Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?
- a. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?
- b. Have you been arrested in the past six months for any criminal offense?
- c. For any criminal offense - other than a minor vehicle violation - have you ever been convicted, plead guilty, plead nolo contendere, been placed on pretrial diversion, or been placed on any form of parole or probation (including probation before judgment)?

I would like to be considered for an advance of up to \$10,000.

- **Where to Send Funds**

- Bank Name *

- Account Number *

- Routing Number *

If Anyone Helps you in completing this application

- If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must enter their information below.
- Individual Name
- Name of Company
- Phone Number
- Street Address, City, State, Zip
- Fee Charged or Agreed Upon

I give permission for SBA to discuss any portion of this application with the representative listed above.

(1-5)

- On behalf of the individual owners identified in this application and for the business applying for the loan:

I/We authorize my/our insurance company, bank, financial institution, or other creditors to release to SBA all records and information necessary to process this application and for the SBA to obtain credit information about the individuals completing this application.

(2-5)

- If my/our loan is approved, additional information may be required prior to loan closing. I/We will be advised in writing what information will be required to obtain my/our loan funds.
- I/We hereby authorize the SBA to verify my/our past and present employment information and salary history as needed to process and service a disaster loan.

(3-5)

- I/We authorize SBA, as required by the Privacy Act, to release any information collected in connection with this application to Federal, state, local, tribal or nonprofit organizations (e.g. Red Cross Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my/our SBA application, evaluating eligibility for additional assistance, or notifying me of the availability of such assistance.

(4-5)

- I/We will not exclude from participating in or deny the benefits of, or otherwise subject to discrimination under any program or activity for which I/we receive Federal financial assistance from SBA, any person on grounds of age, color, handicap, marital status, national origin, race, religion, or sex.

I/We will report to the SBA Office of the Inspector General, Washington, DC 20416, any Federal employee who offers, in return for compensation of any kind, to help get this loan approved. I/We have not paid anyone connected with the Federal government for help in getting this loan.

CERTIFICATION AS TO TRUTHFUL INFORMATION: By signing this application, you certify that all information in your application and submitted with your application is true and correct to the best of your knowledge, and that you will submit truthful information in the future.

(5-5)

- **WARNING:** Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.
- **I hereby certify UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES that the above is true and correct.**
- [Click for additional statements required by laws and executive orders](#)

SBA Economic Injury Disaster Loan (EIDL) Qualifications

Financially impacted as a direct result of the Coronavirus (COVID-19) since Jan. 31, 2020

- **Small businesses** <https://www.sba.gov/partners/contracting-officials/small-business-procurement/small-business-size-standards>
- General Requirements
 - Federal Small Business
 - Federal standard – **NAICS** (North American Industry Classification System)
 - Independently owned and operated
 - Franchises-www.franchiseregistry.com
 - Maximum Size Restrictions Examples
 - Manufacturing- ≤ 500 Employees
 - Wholesaling- ≤ 100 Employees
 - Retail/Service- Avg. Sales \$4.5M to \$32.5M
 - Construction- \$14M to \$33.5M
- **Private non-profit organizations of any size**
- **Small agricultural cooperatives and small aquaculture enterprises**

SBA Economic Injury Disaster Loan (EIDL)

Loan Amount and Use

- Up to \$2 million to help meet financial obligations and operating expenses which could have been met without the disaster
- May be used to pay
 - Fixed Debts
 - Payroll
 - Accounts Payable
 - Other bills can't be paid because of the disaster's impact
- Amount should reflect 6 months operating expenses
- There is no obligation to take the loan if offered. ✓

Criteria for Approval

- Credit History - acceptable to SBA.
- Repayment - business must exhibit the ability to repay the loan. Were you current on your obligations as of Jan 31?
- Eligibility – small business owners in all U.S. states and territories suffered working capital losses due to the declared disaster.



SBA Economic Injury Disaster Loan (EIDL)

Interest Rate

- 3.75% for small businesses
- 2.75% for private non-profit organizations

Term

Long term repayment up to a maximum of 30 years

Collateral

EIDL over \$25,000 require collateral

SBA will not decline a loan for lack of collateral, but requires borrowers to pledge of what is available

Who is Ineligible?

- Businesses with more than 1/3 of annual gross revenue is gambling
- Casinos & Racetracks where their purpose for being is gambling
- Businesses of a prurient sexual nature
- Investment or Lending companies
- Charitable Organizations (Private non-profits organizations is eligible)
- Religious Organizations

Important Notes About Your Application

- If more funds are needed, you can submit supporting documents and request an increase
- If less funds are needed you can request a reduction
- If denied you will be given up to six months to provide new information and a written reconsideration request

Business- The following items may be required 1-2

1. (SBA Form 5) – 2 pages of application
2. (IRS Form 4506) Completed and signed Tax Information Authorization completed and signed by the following
 - each applicant, each principal owning 20 percent or more of the applicant business
 - each general partner or managing member
 - any owner who has greater than 50 percent ownership in an affiliate business. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management

Business- The following items may be required 2-2

3. Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business; an explanation if not available
4. (SBA Form 413) Personal Financial Statement completed, signed, and dated by the applicant, each principal owning 20 percent or more of the applicant business, and each general partner or managing member.
5. (SBA Form 2202) Schedule of Liabilities listing all fixed debts

Non-profit Org.- The following items may be requested

Private Non-profit organizations (except Religious/Charitable organization)

- (SBA Form 5) completed and signed
- A complete copy of the organization's most recent tax return OR a copy of the organization's IRS tax-exempt certification and complete copies of the organization's three most recent years' "Statement of Activities"
- (SBA Form 2202) Schedule of Liabilities
- (IRS Form 4506-T) Tax Information Authorization completed and signed for each applicant and for any affiliated entity. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management.

You may be requested to provide additional information

Provide within 7 days of the information request

- Complete copy, including all schedules, of the most recent Federal income tax return for
 - each principal owning 20 percent or more,
 - each general partner or managing member,
 - and each affiliate when any owner has more than 50 percent ownership in the affiliate business.
- Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management
- 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
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures for will generally be required when requesting an increase in the amount of economic injury. (This is especially important for Economic Injury Disaster Loans).

Applying SBA Disaster Loan (EIDL)

New York District Office (NYDO)

Everyone Should Apply!!

NO cost to apply

You have NO obligation to accept it when it is approved.

1-year deferment payment

You don't know when this disaster will end

Applying for SBA Disaster Loan (EIDL)

New York District Office (NYDO)

- For Help with your application, you can reach out to SBA's Disaster Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov.
- Follow us on Twitter @SBA New York for real-time updates and program notices.
- Additional information will be posted on the SBA New York District Office webpage at www.sba.gov/ny

The Three Step Disaster Loan Process

Apply online per previous slides

Loan Processing Decision

- Information is verified and credit checked; you may be asked for more info
- Forecasts are completed to determine the EIDL amount
- A loan officer contacts you to make recommendation and discuss next steps
- Decision normally takes up to 4 weeks

Loan Closes and Funds Disbursed

- Sign and Submit Loan Documents
- Initial disbursement of \$25K within 5 days
- A Case Manager is assigned that will help you with the rest

SBA and Resource Partners' Assistance

- Free assistance with reconstructing financial records, preparing Financial Statement and submitting the loan application is available from any of SBA's partners: Small Business Development Centers (SBDC), SCORE, Women's Business Centers (WBC), and Veteran's Business Outreach Centers.
- For the local assistance, visit <https://www.sba.gov/local-assistance>
- For SBA affiliate definition and rules:
- http://www.sba.gov/sites/default/files/articles/affiliatio_ver_03.pdf
- For SBA Small Business Standard <https://www.sba.gov/partners/contracting-officials/small-business-procurement/small-business-size-standards>

Applying for SBA Disaster Loan (EIDL)

New York District Office (NYDO)

For detailed information on SBA programs about the coronavirus, please visit: www.sba.gov/coronavirus

For information on all federal programs, visit www.usa.gov/coronavirus

or

www.gobierno.usa.gov/coronavirus (en Español).

Information changed every minute

- Please send me a message, so you will be on my mailing list
 - Send you the updated information about the EIDL
 - Send you the new Federal programs and assistance
 - Send you event invitations

THANK YOU

Man-li.lin@sba.gov



U.S. Small Business
Administration

We are here to help YOU