

SMALL BUSINESS ADMINISTRATION COVID-19 RESOURCES

CORONAVIRUS RESOURCES FOR SMALL BUSINESSES AND
NON-PROFIT ORGANIZATIONS

Information as of March 19, 2020



What is the Small Business Administration?

The SBA offers disaster assistance in the form of low-interest loans to businesses located in regions affected by declared disasters.

Created in 1953, it is the only cabinet-level federal agency dedicated to small businesses.



What resources are available for COVID-19 affected businesses?

Economic Injury (working capital) loans:

- Offer up to \$2 million in assistance for temporary loss of revenue
- Funds can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid
- Low interest rates of 3.75% for businesses and 2.75% for non-profits
- Long term payments of up to 30 years (based on a case by case basis and ability to repay)



What qualifies as a Small Business?

The SBA uses either annual receipts or number of employees to determine who can qualify. To determine your area please visit

<https://www.sba.gov/document/support--table-size-standards>

Some examples, from their table of size standards, are:

- Landscaping Services-maximum \$ 8.0 million in annual receipts
- Lawn and Garden Tractor and Home Lawn and Garden Equipment Manufacturing maximum-1,500 employees

There is also a size standard tool, in the above link, that you can use to determine whether your business is small under the definition of the SBA



What current areas are eligible for SBA loans for COVID-19?

Revised criteria were issued, March 17th, making it easier for states to qualify for disaster assistance.

- States need only to verify that five small businesses, within the state/territory, have suffered substantial economic injury regardless of where they are located.
- Disaster assistance loans will be available statewide instead of being only available to counties declared disaster areas by the Governor.

States must apply for an economic injury declaration with the SBA. Once approved small businesses may apply for loans with the SBA

Most states have already qualified and here is a link to a full list of those states-They are marked under the Incident Category: Coronavirus (COVID-19)

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



How do I apply for a SBA economic injury loan?

You can apply online at <https://www.sba.gov/> and click on the Coronavirus Learn More Tab.

You can also apply in-person, at a disaster center, or by mail



What do I need in order to apply?

Generally, you will need the following documents to apply but additional documents may be required to process your application:

- SBA Form 5: Business Loan Application
- IRS Form 4506-T: Request for Transcript of Tax Return
- Complete copies, including all schedules, of the most recent Federal Income Tax Returns, for the business
- SBA Form 413: Personal Financial Statement
- Schedule of Liabilities listing all fixed debts



Loan Process: Steps and Timing

1) Apply for Loan

2) When completed application is received, the SBA will verify your property and a loan processing decision will be made. The goal of the SBA is to arrive at a decision within 2-3 weeks

3) Loan closed and funds disbursed

- Once the signed closing documents are received and initial disbursement will be made within 5 days
- For economic injury (working capital) the initial amount will be \$25,000
- A case manager will work with you for the remainder of disbursements



For complete information click
here:

[https://www.sba.gov/disaster-
assistance/coronavirus-covid-19](https://www.sba.gov/disaster-assistance/coronavirus-covid-19)

