



**Division of Small Business
& Technology Development**

COVID-19 SBA Disaster Loans

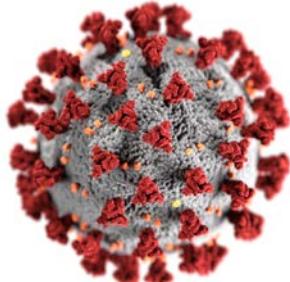
Empire State Development

A Division of Empire State Development

3/20/2020

Federal COVID-19 Disaster Declaration Makes Economic Injury Disaster Loans (EIDL) Available Due to the Coronavirus (COVID-19) Outbreak

The U.S. Small Business Administration (SBA) is offering low-interest federal disaster loans for **working capital to small businesses suffering substantial economic injury** as a result of the Coronavirus (COVID-19) throughout New York State.



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.



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Economic Injury Disaster Loan Basics

How much can I borrow?

- Eligible entities may qualify for loans **up to \$2 million**.
- The interest rates are **3.75%** for small businesses and 2.75% for nonprofit organizations.
- 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.



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Economic Injury Disaster Loan Basics - Continued

What businesses are eligible to apply? (Disaster - NY-00197 effective 1/31/2020)

- Businesses directly affected by the disaster
- Businesses that offer services directly related to the businesses in the declaration
- Other businesses indirectly related to the industry that are likely to be harmed by losses in their community

(Example: Manufacturer of product may be eligible as well as the wholesaler and retailer of the product.)



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Economic Injury Disaster Loan Basics - Continued

What kinds of small businesses can apply?

- Examples of eligible industries **include but are not limited to:** Hotels, recreational facilities, charter boats, manufacturers, 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.*



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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.



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Ineligible Entities for Economic Injury Disaster Loans

What are some of the businesses that are ineligible for an Economic Injury Disaster Loans?

- **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.



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How to Apply



- 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. 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.



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Basic Filing Requirements

- **Completed SBA loan application** (SBA Form 5 or 5C)
- **Tax Information Authorization** (IRS Form 4506T)
for the applicant, principals and affiliates (see instructions on form, must be signed).
- 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 image shows the front page of the U.S. Small Business Administration Disaster Business Loan Application (SBA Form 5). It includes fields for physical identification number, date received, file deadline date, and SBA application number. A section titled 'WHERE YOU APPLYING FOR' contains checkboxes for physical damage, military general E&S (MGEN), business continuity, and business interruption. A note states that applicants for MGEN should complete Form 5C. A 'DISASTER TYPE' section indicates that Property Damage should complete Form 5C. A 'FEDERAL EIN OR SOCIAL SECURITY NUMBER' field is also present.

This image shows the front page of the U.S. Small Business Administration Disaster Home / Sole Proprietor Loan Application (SBA Form 5C). It includes fields for physical identification number, date received, file deadline date, and SBA application number. A section titled 'WHERE YOU APPLYING FOR' contains checkboxes for physical damage, business continuity, and business interruption. A note states that applicants for business continuity should complete Form 5C. A 'DISASTER TYPE' section indicates that Property Damage should complete Form 5C. A 'FEDERAL EIN OR SOCIAL SECURITY NUMBER' field is also present.



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. (especially important for Economic Injury Disaster Loans like these)



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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.



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Free Assistance

Free assistance with reconstructing financial records, preparing financial statements and submitting the loan application is available from :

SBA Small Business Development Centers (SBDC): <http://nysbdc.org/appointment.html>

Entrepreneurship Assistance Centers (EAC): Please see next slide

ESD Small Business Division: <https://esd.ny.gov/doing-business-ny/small-business-hub>

For the SBA nearest office, visit: <https://www.sba.gov/local-assistance>

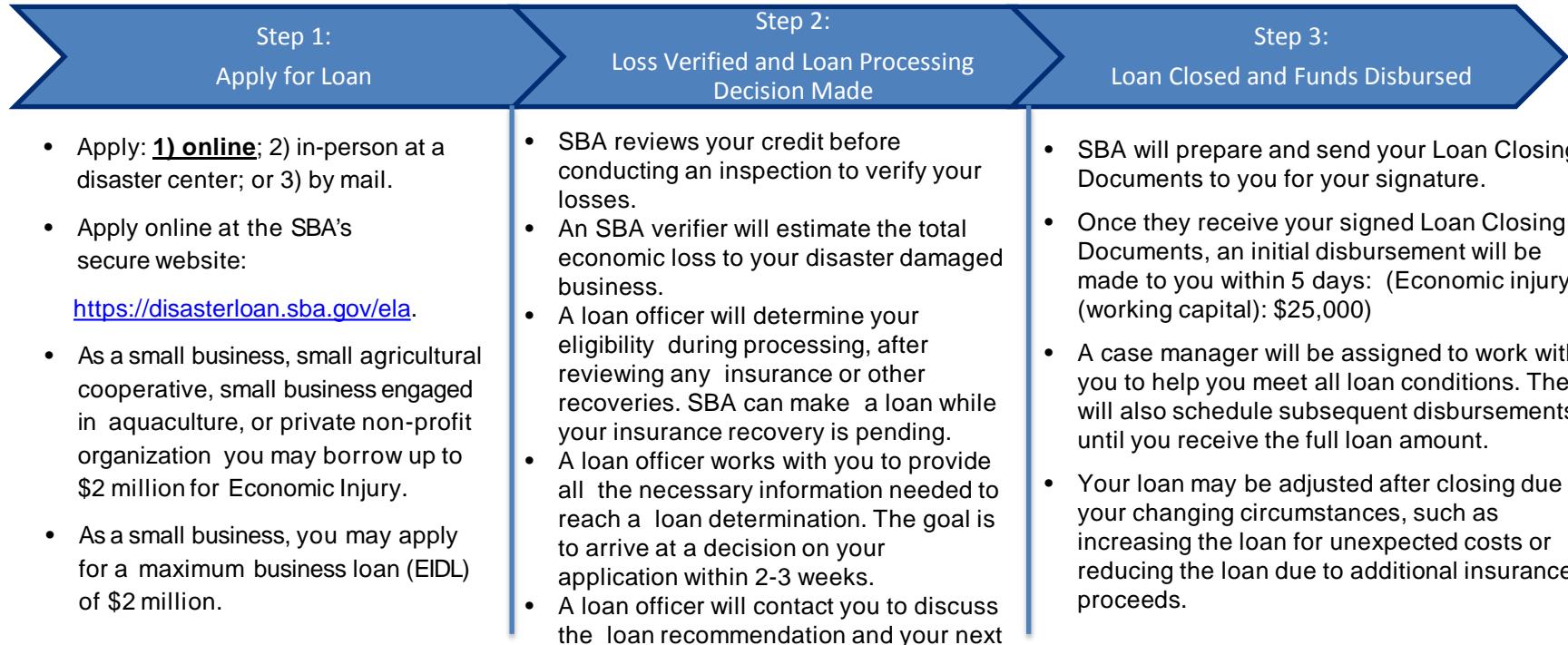


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Entrepreneurship Assistance Centers Contact Information

ENTREPRENEURSHIP ASSISTANCE CENTERS					
ORGANIZATION	PHONE	EXT	EMAIL	Website	REGION
ACCORD CORP.	(585) 268-7605		rlananger@accordcorp.org	accordcorp.org	WESTERN NY
Adirondack Economic Development Corp.	518-891-5523		info@aedconline.com	aedconline.com	NORTH COUNTRY
Binghamton Local Development Corp.	607-777-4022		kanukda@sunybroome.edu	https://mycollege.sunybroome.edu/web/www/eap	Southern Tier
Business Outreach Center Network, Inc.	(718) 205-3773		queens@bocnet.org	bocnet.org	NYC
Bedford Stuyvestant Restoration Corp.	(718) 636-6900		bhandal@restorationplaza.org	restorationplaza.org	NYC
Business Training Institute, Inc.	315 733 9848		Lainoleo@aol.com	nywbc.org	Mohawk Valley
CAMBA	(718) 226-0436		smallbiz@camba.org	camba.org	NYC
Chinatown Manpower/BOC	(212)571-1698		info@cmpny.org	cmpny.org	NYC
Capital Region Chamber Foundation	(518) 431-1400		info@capitalregionchamber.com	capitalregionchamber.com	CAPITAL
Hot Bread Kitchen	email preferred		incubator@hotbreadkitchen.org	hotbreadkitchen.org	NYC
Hofstra University	516-463-4069		Laura.j.fetter@hofstra.edu	hofstra.edu	LONG ISLAND
IBERO-MEDAILLE COLLEGE AT BUFFALO	(716) 880-3288		empirestateeap@gmail.com	iaal.org	WESTERN NY
IBERO - WAVERLY	607-249-6193		empirestateeap@gmail.com	iaal.org	FINGER LAKES
Local Development Corp. of East New York	(718) 385-6700		info@ldceny.org	ldceny.org	NYC
Queens Economic Development Corp.	(718) 263-0546		info@queensny.org	queensny.org	NYC
Renaissance Economic Development Corp.	(212) 964-6022		info@renaissance-ny.org	renaissance-ny.org	NYC
Suffolk County Community College	631-851-6214		EAPCenter@sunysuffolk.edu	https://www.sunysuffolk.edu/explore-academics/workforce-training/entrepreneurial-assistance-center/index.jsp	LONG ISLAND
South Bronx Overall Economic Corp.	718-292-3113		info@sobro.org	sobro.org	NYC
Syracuse University/South Side Innovation Center	(315) 443-8466		sbrennan@syr.edu	southsideinnovation.org	CENTRAL
Urban League of Rochester NY Inc.	(585) 325-6530	3003	info@ulr.org	ulr.org	FINGER LAKES
Women's Enterprise Development Center Inc.	845-393-6432		cmarsh-croll@wedcbiz.org	wedcbiz.org	MID-HUDSON
Women's Enterprise Development Center Inc.	(914) 948-6098	12	info@wedcbiz.org	wedcbiz.org	WESTCHESTER
Washington Heights Inwood Development Corp.	212-795-1600		info@whidc.org	whidc.org	NYC

The 3 Step Disaster Loan Process



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How are Working Capital Loans 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: <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.



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Together we will survive.

Thank you for supporting Small Businesses in New York State.

