

Small Businesses

Disaster Loans: Economic Injury Disaster Loans (EIDLs) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.

- **Requirements:**
 - Credit History, ability to repay, collateral.
- **Interest Rates:**
 - Fixed at 3.75%, 2.75% for nonprofits.
- **Loan Terms:**
 - The law authorizes loan terms up to a maximum of 30 years. SBA will determine the term based on various metrics and circumstances.
- **Loan Amount Limit:**
 - The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.
- **Note:** Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility.
- **Insurance Requirements:**
 - To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance.

SBA 7(a) Loans: The 7(a) loan program is the SBA's primary program for providing financial assistance to small businesses. The terms and conditions, like the guaranty percentage and loan amount, may vary by the type of loan.

- Link for more information on 7(a) Loans and where to find lenders (website does not reflect the legislative proposal outlined below):
 - <https://www.sba.gov/funding-programs/loans>
 - <https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans#section-header-0>
- ***To obtain a SBA 7(a) Loan, businesses should first go to their respective lenders to inquire about obtaining a 7(a) loan.***

CARES Act Proposal (SUBJECT TO LEGISLATIVE CHANGES):

- Will provide for \$350 billion in loan assistance.
- Loans will be backed 100% by the federal government (up from 75% and 85%), and may be administered by SBA preferred lenders, and other financial institutions.
- Increases 7(a) loan amount from \$5,000,000 maximum to \$10,000,000 maximum.
 - “Express Loans” increased from \$350,000 to \$1,000,000.
- **Expands 7(a) loans to include payroll support, such as paid sick or medical leave, salaries, mortgage payments, and other debt obligations.**
- **To the extent that employer maintains payroll continuity, the loan will convert into a grant.**
- This loan may not be used if EIDL is used.

Resources:

- Main website: <https://www.sba.gov>
- Find your local SBA office – highly encouraged before applying for assistance.
 - <https://www.sba.gov/local-assistance/find/>
- For Disaster Loans
 - Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloan.sba.gov/ela>. Applicants may also call SBA’s Customer Service Center at **(800) 659-2955** or email: disastercustomerservice@sba.gov for more information on SBA disaster assistance. Individuals who are deaf or hard-of-hearing may call **(800) 877-8339**.
 - Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.