



U.S. Small Business  
Administration



## **FAQs REGARDING SBA ECONOMIC INJURY DISASTER LOANS**

### **Are SBA's resources available during the COVID-19 crisis?**

Answer: "The health and safety of our employees is our number one priority. SBA has deployed technology solutions to assist small businesses with any of their needs while also ensuring the safety of our staff and adhering to the CDC guidelines."

### **How can I get information on SBA's disaster loan program?**

Answer: Contact us...

Online - [sba.gov/disaster](https://sba.gov/disaster)

Phone - (800) 659-2955 (TTY: 1-800-877-8339)

Email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

The call center is open Monday – Sunday, 8a.m. – 8p.m. ET.

### **When can I apply for an economic injury disaster loan?**

Answer: Once your state or territory has an official declaration, a business owner can access the application online at [sba.gov/disaster](https://sba.gov/disaster).

### **How do I apply for an Economic Injury Disaster Loan?**

Answer: Visit SBA at [sba.gov/disaster](https://sba.gov/disaster) and apply online using SBA's Electronic Loan Application.

### **I have questions about the application, is there someone I can speak with to help me?**

Answer: Yes. Please contact our disaster assistance customer service center at

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The call center is open Monday – Sunday, 8a.m. – 8p.m. ET.

### **What documents will I need to submit my application?**

Answer: Depending on a small business' specific situation, we may need different documentation to capture the business's information, liabilities, and other relevant financial information.

Some examples of the type of documents you may be asked for are:

- Signed and completed SBA application form 5
- IRS Tax Authorization form
- Copies of your most recent federal tax return (2018)
- Personal financial statement
- Schedule of liabilities

### **How much can I borrow?**

Answer: The maximum loan amount is \$2 million. The loan amount is based on the working capital needs caused by the COVID-19 situation so the business can meet its ongoing obligations.

### **What are the terms of the Economic Injury Disaster Loan?**

Answer: The interest rate is 3.75 percent for small businesses and 2.75 percent for private nonprofit organizations with terms up to 30 years. Loan amounts and terms are set by SBA and are based on each applicant's financial condition. The first payment on the economic injury loan issued due to the coronavirus will be automatically deferred for one year.

**How long will it take to know if I am approved for a loan?**

Answer: We are processing applications as quickly as possible. Some are processed as fast as within a few days, although actual times vary from case-to-case.

**Does SBA have any grants available to small businesses?**

Answer: No. Our disaster assistance is in the form of federal low-interest, long term loans.

**Does SBA require collateral?**

Answer: It's important to note that for the first \$25,000, no collateral is required. Over \$25,000, you may be required to pledge available collateral.

**Can SBA refinance my loans or mortgages?**

Answer: SBA economic injury disaster loan funds cannot be used to refinance pre-existing debt.

**What can I use the SBA Economic Injury Disaster Loan for?**

Answer: Economic Injury Disaster Loans may be used to pay fixed debts, payroll, accounts payable and other bills that cannot be paid because of the disaster's impact.

**I have an existing SBA Disaster Loan from a previous disaster, what are my options?**

Answer: Pre-existing disaster loans still in repayment will have their payments deferred through the end of 2020. This deferral will be automatic, and borrowers of previous home and business disaster loans do not have to contact SBA to request this deferment.

**Every state/territory is impacted with cases of confirmed COVID-19, including Utah. Does the federal government have the workforce to deal with this and all those affected?**

Answer: With the national emergency declaration, the federal government is leveraging all its power and has taken decisive action to ensure state/territory, local, and tribal leaders have the resources they need to provide protective measures for their communities and limit the spread of COVID-19 in the U.S.

The collective resources for this can be found at [usa.gov/coronavirus](https://usa.gov/coronavirus) or en Español at [gobierno.usa.gov/coronavirus](https://gobierno.usa.gov/coronavirus). SBA is focused on providing assistance to small businesses impacted by this health emergency with Economic Injury Disaster Loans, counseling, mentoring, and preparedness services across the country.

**Why are only loans available and not grants? A loan won't help a small business stay afloat for an extended period of time with no customers.**

Answer: SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.

SBA offers loans with reasonable terms, including long-term repayments (up to a maximum of 30 years), in order to keep payments affordable. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The first payment on the economic injury loan issued due to the coronavirus will be automatically deferred for one year.

Small businesses can also receive counseling assistance throughout the country – SBA's 68 District Offices, as well as our Resource Centers, including Small Business Development Centers, Women's Business Centers, SCORE volunteers and Veterans Business Outreach Centers. More information about these services can be found at [SBA.gov](https://www.sba.gov).

**How much money is SBA able to allocate for financial assistance for small businesses and non-profits? Is there a state limit?**

Answer: SBA is available to assist small businesses across the nation and does not have a total cap on the number of loans the agency is able to make. There is no state or territory limit on the number of loans or the total amount of the loans combined. A small business can get a loan up to \$2 million to assist with economic recovery, and there are other access to capital programs available to help as well. Information can be found at [SBA.gov](https://www.sba.gov).

**Since the Federal Reserve lowered its target for the federal funds rate to nearly 0% recently, why is it that the SBA EIDL rate set to 3.75%? Aren't these direct loans from SBA? What entity is making the 3.75% interest? Is it possible that the interest rate will be lowered soon?**

Answer: Disaster loan interest rates are a statutory formula that is calculated quarterly and based on the Treasury Department's rates. The interest rates are currently set at 3.75%.

**Once the state has an SBA declaration, how does a small business apply for an EIDL?**

Answer: Applications are available online at [sba.gov/disaster](https://sba.gov/disaster).

For additional questions, contact us:

Online - [sba.gov/disaster](https://sba.gov/disaster)

Phone - (800) 659-2955 (TTY: 1-800-877-8339)

Email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

The call center is open Monday – Sunday, 8a.m. – 8p.m. ET.

**What banks are authorized to offer these economic injury disaster loans?**

Answer: SBA offers direct loans through its Economic Injury Disaster Loan program. Traditional SBA-backed loans are still available via banks as well. To find an SBA-approved lender, visit [sba.gov/lendermatch](https://sba.gov/lendermatch).

**With the social distancing recommendations and closures, how will SBA's Disaster team help small business owners get their loan applications in and processed?**

Answer: In this case, all applications and processing will be done online/virtually. The Disaster Assistance Call Center is available to answer questions from small businesses. Contact them:

Online - [sba.gov/disaster](https://sba.gov/disaster)

Phone - (800) 659-2955 (TTY: 1-800-877-8339)

Email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

The call center is open Monday – Sunday, 8a.m. – 8p.m. ET.

Additionally, SBA's resource partners and our local SBA staff are still available in your local community to help answer the questions. You can find them at [sba.gov/local-assistance](https://sba.gov/local-assistance).

**How does a business define an impact and/or loss for this? Is there a percentage, dollar amount, etc.?**

Answer: A business needs to define its loss in comparison to its 2019 operations/financials. Losses will be compared to the effective incident period starting on January 31, 2020. Just a loss needs to be reported; there is no threshold of a percentage or dollar amount.

### **SBA's Loan process:**

Step One: Apply for Loan – [SBA.gov/Disaster](https://www.sba.gov/disaster) and click on Apply for Assistance.

Step Two: Loan Processing Decision Made – An SBA loan officer works with the small business to provide all the necessary information needed to reach a loan determination.

Step Three: Loan Closed and Funds Disbursed – Once SBA receives the small businesses signed Loan Closing Documents, an initial disbursement will be made within days.

### **For an Economic Injury Disaster Loan, what are the business obligations, and what is looked at for underwriting?**

Answer: When processing a loan request, SBA evaluates three main areas: 1) eligibility; 2) satisfactory credit; and 3) repayment ability. Economic injury disaster loan funds provide working capital to cover normal business obligations and necessary operating expenses.

### **What is a business to do if it doesn't qualify for an Economic Injury Disaster Loan? What are banks doing to help too?**

Answer: Traditional SBA-backed loans are still available via banks as well. To find an SBA-approved lender, visit [sba.gov/lendermatch](https://www.sba.gov/lendermatch).

### **If a business currently has an SBA-backed loan and it fears it will not be able to make the payments, what course of action should it take?**

Answer: Borrowers of home and business disaster loans from previous disasters that are still being payed back will now have their payments deferred through the end of 2020.

This deferral will be automatic, and borrowers of previous home and business disaster loans do not have to contact SBA to request this deferment.

SBA is granting small businesses who receive an Economic Injury Disaster Loan due to the coronavirus an automatic one-year deferment period before they are required to start making payments. Small businesses with other SBA-backed loans should first talk to their SBA lender about potential deferments of loan payments.

### **What are some things businesses can do to prepare and/or stay afloat? Are you seeing any innovative/creative strategies/solutions they're using?**

Answer: Small businesses could explore obtaining revolving lines of credit if they are experiencing capital challenges. SBA's Express Loan Program can be used for this purpose. To find an SBA-approved lender, please go to [sba.gov/lendermatch](https://www.sba.gov/lendermatch).

SBA is also offering economic injury loans of up to \$2 million per small business, in addition to offering all of our counseling, mentoring, and preparedness services across the country.

**Is SBA offering other types of assistance beyond financial help?**

Answer: Yes, as it has for more than 65 years, SBA is offering ongoing assistance for small businesses across the country to help them start, grow, expand and recover. This includes various trainings and education offerings, financial and preparedness planning, supply-chain assistance and the like. Find guidance and resources for small businesses at [SBA.gov/Coronavirus](https://www.sba.gov/coronavirus). Small businesses should contact their local district office – visit [sba.gov/localassistance](https://www.sba.gov/localassistance) for assistance with accessing available local resources.

**Where should a small business go to find additional resources for help?**

Answer: Small businesses should stay up to date with SBA's ongoing assistance by visiting the SBA's website online, [SBA.gov/Coronavirus](https://www.sba.gov/coronavirus), following @SBAGov on Twitter and subscribing to the district newsletter via [sba.gov/updates](https://www.sba.gov/updates) using their zip code. Also, small businesses can find local educational and counseling resources via [sba.gov/localassistance](https://www.sba.gov/localassistance).

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**APPLY ONLINE FOR A DISASTER LOAN**

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## **SBA INFO & RESOURCE DIRECTORY**

**APPLY ONLINE (RECOMMENDED):**

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

- Apply online
- Get additional disaster assistance information
- Download application forms

**NEED MORE HELP:**

SBA EIDL Customer Service Center

Phone: (800) 659-2955

Email: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

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**HEARING IMPAIRED:**

(800) 877-8339.

**PAPER APPLICATION BY MAIL (ONLINE RECOMMENDED):**

Completed applications should be mailed to:

U.S. Small Business Administration, Processing and Disbursement Center, 14925  
Kingsport Road, Fort Worth, TX 76155.

**FEDERAL GOVERNMENT CORONAVIRUS INFO:**

[Coronavirus.gov](https://www.cdc.gov/coronavirus).

**SBA CORONAVIRUS INFO:**

[SBA.gov/coronavirus](https://www.sba.gov/coronavirus).

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