



SBA Economic Injury Disaster Loan (EIDL)

Funder Organization: U.S. Small Business Administration (SBA)

Program URL: <https://www.sba.gov/funding-programs/disaster-assistance>

Type of Fund: Loan

Target Audience or Geography: Small Business Owner / Nationwide

Estimated Time of Arrival for Public Rollout: Currently Available since January 31, 2020

Brief Program Description

Small businesses, non-profits, and owners of rental property are eligible to apply for economic injury disaster loans of up to \$2 Million. Applications are submitted online through the SBA website and funds come directly from the U.S. Department of the Treasury.

Applicants can request a loan advance of up to \$10,000 and it will be disbursed within three days.

Additional information is provided below under **Forgiveness Terms**.

Eligibility Requirements

Small businesses, sole proprietorships, independent contractors, self-employed, cooperatives, ESOP, tribal small businesses, private non-profit organizations, small agricultural cooperatives, owners of rental property, small businesses engaged in aquaculture, and nurseries (only if they derive less than 50% of their annual receipts from the production and sale of ornamental plants and other nursery products). Have 500 or fewer employees and have been in business since January 31, 2020. Must be in a disaster declaration area - all parts of Oregon have been declared.

*Under section 7(b) of the Small Business Act, SBA may not provide disaster loans to agricultural enterprises. A business may be primarily an agricultural enterprise but also have a non-agricultural, separable component. The nonagricultural venture may be eligible for a business disaster loan regardless of the "primary" activity of the overall business structure or affiliated group. To be eligible, the non-agricultural venture must be a separable operation and not just part of the agricultural enterprise, with separable and distinguishable income, operations, expenses, assets, etc.

However, if more than 50% of an Applicant's cost of goods sold (COGS) are derived from the purchase of goods from the principals' and/or affiliates' agricultural production, the Applicant is considered an adjunct activity of an agricultural enterprise (e.g. farming operation) and not eligible for EIDL assistance.

Please visit: <https://www.sba.gov/size-standards/> to find out if your business meets SBA's small business size standards.

Ineligibility Restrictions

Owners of unimproved real estate, 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 disaster loan assistance, businesses involved in adult entertainment, religious organizations, gambling concerns (or business with 30% or more revenue from legal gambling), cannabis businesses, and individuals convicted during the past year of a felony committed during a riot or civil disorder or other declared disaster.

*SBA disaster assistance is available for disaster losses that are not fully compensated by insurance recoveries, grants, or other sources. If a business receives other compensation in amounts that FULLY covers eligible disaster damages a business is NOT eligible (no "double-dipping") to receive *additional* compensation by SBA. (Ref: SBA SOP 50 30 9 page 218)

**By law, agricultural enterprises are not eligible for disaster assistance from SBA. The law makes SBA disaster loans available to homeowners, renters, non-farm businesses, and private non-profit organizations. The law defines ineligible agricultural enterprises as those businesses that are engaged in the production of food and fiber, ranching and raising of livestock, aquaculture (except for economic injury disaster loans), and all other farming and agricultural related industries.

**SBA will likely decline applicants with federal loan defaults, IRS tax liens, outstanding child support payments, as well as suspended or debarred federal contractors. If declined, a business can re-apply in 6mos.

Use of Funds

Working capital for operating expenses due to temporary loss of revenue or economic injury (fixed debts, payroll, mortgage, rent, lease payments), payments on short-term debt, accounts payable, and bills; not for business expansion.

Interest Rates: 3.75% for businesses and 2.75% for non-profits.

Loan Term: Amortization: up to 30 years, determined on a case-by-case basis.

Collateral Requirements: Required for loans amounts that exceed \$25,000. Applicants will not be declined solely on the basis of lack of collateral. SBA will require whatever collateral is available, which may include liens on real estate.

Loan Program Payment Deferment (if any): Up to one year payment deferral before payments need to be made.

Forgiveness Terms (if any): EIDL is not forgivable - *however*

Applicants for EIDL Loan can check the box on the online EIDL application to request up to \$10,000 advance to provide economic relief for temporary loss of revenue they are experiencing. The Emergency EIDL advance may be forgiven and deducted from the original EIDL loan amount.

- 10K Advance must be used for the following:
- Providing paid sick leave to employees unable to work due to the direct effect of the COVID-19;
- Maintaining payroll to retain employees during business disruptions or substantial slowdowns;
- Meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains; or
- Making rent or mortgage payments.

Personal Guarantee: Required for loans in excess of \$200,000.

Application Submittal Process

The quickest and most efficient way to apply is online:

<https://www.sba.gov/funding-programs/disaster-assistance>

A supplemental PDF showing the screens that applicants navigate while completing the online application process is located in the Appendix. You will be asked to verify eligibility, provide business and owner information, and provide banking information.

Other ways of applying include completing forms and uploading to SBA's Box account, email, mail, or fax.

Information is provided below:

Upload: <https://www.sba.gov/disaster/apply-for-disaster-loan/index.html>

Email: disastercustomerservice@sba.gov

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

Fax: (202) 481-1505

Required Information Gathered Online or via SBA Forms:

1. SBA Form 5 – Business Loan Application - (Form 5C for Sole Props)
2. SBA Form P-019 – Economic Injury Disaster Loan supporting information

Additional documentation *may be requested by SBA Loan Officer*:

3. SBA Form 413 – Personal Financial Statement, required by everyone with ownership of 20% or greater
4. SBA Form 2202 – Schedule of Liabilities

5. IRS Form 4506-T – Request for Transcript of Personal and Business Tax Returns, required for the applicant entity and everyone with ownership of 20% or greater
6. Most recent business tax return, with all schedules
7. Additional information upon request: (a) most recent personal & biz tax returns; (b) 2019 year-end financial statements; (c) YTD interim financial statements; (d) possibly monthly sales figures using SBA Form 1368

Program Contact Information

Phone: (800) 659-2955 8AM to 8PM EDT 7 days a week; (800) 877-8339 for the deaf and hard-of-hearing.

Program SBA Forms Online: <https://www.sba.gov/disaster/apply-for-disaster-loan/index.html>

Frequently Asked Questions:

SBA: <https://disasterloan.sba.gov/ela/Home/Questions>

US Senate: <https://www.sbc.senate.gov/public/index.cfm/guide-to-the-cares-act>

INFO DOC Summary Created by: **Oscar Novelo**
Revised/Edited by: **Noah Brockman**

Date: **April 1, 2020**
Date: **April 2, 2020**

The Oregon SBDC Network is funded in part through a Cooperative Agreement with the U.S. Small Business Administration, the Oregon Business Development Department, and other private and public partners, with Lane Community College serving as the Network's lead host institution. Oregon SBDC services are extended to the public on a nondiscriminatory basis. Language services are available for limited English proficient individuals.



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

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> (<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> (<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)

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.

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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

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 - Lost 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) Months Prior to the Date of the Disaster (January 31, 2020) for All Secular Social Services Provided by the Faith Based Entity

List the Secular Social Services Provided by the Faith Based Entity

Compensation From Other Sources Received as a Result of the Disaster

Provide Brief Description of Other Compensation Sources

Primary Business Address (Cannot be P.O. Box) *

City *

State *

County

Zip *

Business Phone *

Alternative 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) *

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Step 2 of 3

Business Owners Information

Is Your Business Owned by a Business Entity? *

Yes No

Individual Owner/Agent(s)

Owner/Agent 1 ^

First Name *

Last Name *

Mobile Phone *

Title / Office *

Ownership Percent *

Email *

SSN *

Birth Date *

Place Of Birth *

U.S. Citizen *
 Yes No

Residential Street Address *

City *

State *

Zip *

 Add Additional Owner

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Step 3 of 3

Additional Information

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?

Yes No

Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?

Yes No

a. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?

Yes No

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)?

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.

Yes No

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

Where to Send Funds

Bank Name *

Account Number *

Routing Number *

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.

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.

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.

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.

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](#)

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