

The Small Business Administration (SBA) has designated COVID-19 as a qualifying event for the provision of Economic Injury Disaster Loans (EIDL) for businesses and qualified private nonprofits in affected communities. Small businesses, small agricultural cooperatives and some types of private nonprofit organizations that have suffered substantial economic injury due to COVID-19 may be eligible for an EIDL of up to \$2 million. Substantial economic injury means that the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster. EIDL assistance is available only to small businesses when the SBA determines they are unable to obtain credit elsewhere.

To enable these loans for Texas businesses and qualified nonprofits, the state must follow a two-step eligibility process, one for the state, and one for each county. The first step requires that TDEM receive applications from at least five affected businesses or qualified nonprofits which can be approved by the SBA as eligible. (These businesses are not obligated to take the loan, and further information is required to submit a full application to the SBA for the loan.). The initial information from affected businesses and nonprofits merely allows the SBA to designate Texas as an eligible state for EIDL. Once the SBA approves at least five eligible businesses or qualified nonprofits statewide, the Governor must then request a statewide EIDL declaration.

Step two requires that for all businesses and qualified nonprofits to be eligible to apply for the EIDLs each Texas county must either 1) have at least one business or private nonprofit apply for and be determined eligible for the EIDL or 2) the county must be adjacent to a county which has already been certified as eligible by the SBA.

To improve the process by which the state and individual counties will be declared eligible, the Texas Division of Emergency Management is reaching out to business organizations and individual businesses seeking applicants for the EIDL which will lead to state and county certifications. TDEM would ask that your organization notify its members of the availability of the program and encourage the submission of an application to determine eligibility. These applications will be submitted through TDEMRecovery@tdem.texas.gov. Should you have any further questions, please contact your local emergency management office or the TDEM District Coordinator for your area. A map and contact information for your TDEM District Coordinator is attached to this email.

TDEM will submit the applications to the SBA for their eligibility determination. Upon receiving the state declaration, TDEM will continue receiving applications for individual counties and will maintain a map on the TDEM website, tdem.texas.gov which will show those counties which have been certified by the SBA. As counties are certified by SBA, all further applications for the EIDL will be submitted directly to the SBA, and no further information will need to be provided to TDEM.

Your assistance in this effort is critical in order to facilitate the declaration and certification process. We will continue reaching out to your organizations as this process moves forward, and will provide additional information on applying for EIDLs once the declaration has been approved. Should you have any further questions, please contact the district coordinator for your area.

Best regards,

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