



COVID-19 BUSINESS DISASTER ASSISTANCE

Prepared for: Missouri's 5th Congressional District Business Community

Prepared by: Office of Congressman Emanuel Cleaver, II

March 19, 2020

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FINANCIAL SERVICES COMMITTEE
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Congress of the United States
House of Representatives

March 19, 2020

To Missouri's 5th Congressional District Business Community,

In response to the spread of COVID-19 throughout our communities and our attempts to flatten the curve through social distancing, I know many of our small businesses and their employees have been negatively impacted. To assist you through these challenging times I wanted to provide you with information about resources that are available to help your businesses and employees.

I remain resolute in helping businesses, which are the backbone of our economy, remain financially healthy and will continue to do all that I can to that affect during this difficult period and will work with Federal, state and local partners to provide you with needed resources.

We are all in this together.

Warmest Regards,

Emanuel Cleaver, II
Member of Congress

EC: rd

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U.S. SMALL BUSINESS ADMINISTRATION

Disaster Assistance in Response to the Coronavirus

- The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
 - Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).
 - SBA's Office of Disaster Assistance will coordinate with the state's or territory's Governor to submit the request for Economic Injury Disaster Loan assistance.
 - Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities as well as updated on our website: [SBA.gov/disaster](https://www.sba.gov/disaster).
 - SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
 - 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 interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
 - SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
 - 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.
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- For additional information, please contact the SBA disaster assistance customer service center. Call [1-800-659-2955](tel:1-800-659-2955) (TTY: [1-800-877-8339](tel:1-800-877-8339)) or e-mail disastercustomerservice@sba.gov.
- Visit SBA.gov/disaster for more information.

FREQUENTLY ASKED QUESTIONS

Economic Injury Disaster Loan (EIDL)

Question: Congress passed disaster loans for small businesses. What happens now?

Answer: SBA is working directly with Governors to provide targeted, low-interest loans to small businesses and private nonprofit organizations that have been severely impacted by the Coronavirus (COVID-19) outbreak.

Question: My state received approval, but it wasn't state-wide. Will SBA allow more counties to be approved?

Answer: In some instances, state-wide declarations are not being made. Instead, they are on a county basis. If your state is experiencing new cases in undeclared counties after an SBA approval, Governors can amend their approved declaration by working with SBA on the county-specific findings.

Question: My state received approval so where do small businesses apply?

Answer: Small businesses in eligible areas may apply for an EIDL online at: <https://disasterloan.sba.gov/ela/> or they can also reach out to their local SBA District Offices.

Question: If small businesses need help with their applications, are there any other resources available to help them fill out the applications?

Answer: SBA has also coordinated with the Resource Partners, including Small Business Development Centers, (SBDCs) who can assist with the application process. The list of SBDCs is available online at: <https://www.sba.gov/local-assistance/find/?type=Small%20Business%20Development%20Center&pageNumber=1>

Question: How do I know if a small business is eligible?

Answer: SBA's Office of Disaster Assistance works with state emergency management divisions to certify certain areas as an "eligible area."

- The list of eligible areas is also available online at: <https://disasterloan.sba.gov/ela/Declarations/Indexor> <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>.
- The list is updated periodically and on the same day a new declaration is approved.
- Your state may not have been approved yet but a county in your state may have been approved as a contiguous county on a neighboring state's approval, which allows small employers in those counties to apply for loans.
- Please check often to see if your area has been added even if your state has not been formally approved.

Question: What is an Economic Injury Disaster Loan?

Answer: The SBA's Economic Injury Disaster Loan (EIDL) program provides small businesses with working capital loans of up to \$2 million to help overcome the temporary loss of revenue.

- The loans may be used to pay fixed debts, payroll, accounts payable, or other bills that can't be paid because of the COVID-19 outbreak.
- The interest rate is 3.75 percent for small businesses without credit available elsewhere, and businesses with credit available elsewhere are not eligible to apply for assistance.
- The maximum term is 30 years.
- A small business is defined by the SBA's Size Standards in accordance with the Native American Industry Classification System (NAICS) codes and SBA's Size Standards Tool can be utilized.

Question: What's the timeline like?

Answer: Once a borrower applies, approval timelines depend on volume. Typical timeline for approval is 2-3 weeks and disbursement can take up to 5 days. Borrowers are assigned individual loan officers for servicing of the loan.

Question: Where can I find more information?

Answer: For additional information, borrowers should contact the SBA Disaster Assistance customer service center by calling [1-800-659-2955](tel:1-800-659-2955) or emailing disastercustomerservice@sba.gov

They can also visit SBA.gov/disaster for more information.
