

## Details - Disaster Loan Assistance Available:

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 by providing working capital needs.

### Credit requirements:

- Credit history – applicants must have a credit history acceptable to the SBA
- Repayment – Applicants must show the ability to repay
- Collateral – Collateral is required for all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

**Interest rates:** The interest rate is determined by formulas set by law and is fixed for the life of the loan. The maximum interest rate for this program is 3.75%. Nonprofit interest rate is 2.75%

**Loan terms:** The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on financial condition of each borrower, which in turn will determine the loan term. May take up to 30 days to get funds. The SBA will take a position behind existing lenders in repayment position. Loan repayment has been deferred for 12 months from award.

**Loan Amount Limit:** The law limits EIDLs to \$2million for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by the SBA, less business interruption insurance and other recoveries up to the administrative lending limit. 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.

**Loan Eligibility Restrictions:** Applicants must demonstrate injury as a result of the COVID 19 disaster. Noncompliance – applicants who have not complied with the terms of previous SBA loans may not be eligible. This includes borrowers who did not maintain required flood insurance and/or hazard insurance on previous loans. 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. Loans over \$500,000 will require 3 years of tax returns with the application.

**Refinancing:** Economic injury disaster loans cannot be used to finance long term debt.

**Insurance requirement:** To protect each borrower and the Agency, SBA may require business owners to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a flood hazard must purchase and maintain flood insurance. SBA requires that flood insurance coverage be the lesser of (1) the total of the disaster loan, (2) the insurable value of the property, (3) the maximum insurance available.

Applicants may apply online, receive additional disaster assistance information and download applications at: <https://www.sba.gov/ela>. Applicants may also call the SBA Customer Service Center at 800/659-2955 or email: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Individuals who are deaf or hard-of-hearing may call 800/877-8339. Completed applications should be mailed to US SBA, Processing and Disbursement Center, 14925 Kingsport Road, Ft Worth, TX 76155.



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