

SBA Economic Injury Disaster Loan Guide

To apply for the SBA Disaster Loan, [click here](#) to access the application portal.

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

Current loans (SBA and non-SBA)

- if your business is suffering economically and has a current business loan with any lender, consider contacting your lender to request a loan modification (interest only payments, partial or complete payment abatement, etc.)
- Many lenders are allowing flexibility with commercial and residential loans, this may include interest only payments or a complete deferment for the duration of this economic down period.

SBA Economic Injury Disaster Loan

- Can be used to cover 6 months of normal working capital (fixed debts, payroll, accounts payable, and any other bills)
- Secured loans of up to \$2 million, and unsecured loans of \$25000 are available.
- The loan can be extended out to a period of up to 30 years
- 3.75% interest rate (2.75% for non-profits)
- This loan is independent of the assistance provided by the federal government that will be coming.
- Most loans will take ~30 days from the application date to receive funding.
 - In those 30 days you (the business owner) may take out a loan from any current line of credit that you have to cover your expenses, which can be reimbursed by your SBA loan.
- Due to high traffic, the SBA website has had trouble processing applications between 11AM-5PM, so to make the application process easier we recommend applying either early in the morning or in the late evening.

Who can apply?

- In order to be eligible, you must be a small business (500 employees or fewer)
- Must have been affected in some way by COVID-19

What do you need?

- Business Loan Application (SBA Form 5 for incorporated businesses and LLCs, SBA 5 C for sole proprietors), this will be entered into the portal application.
- SBA Form 1368 will be uploaded into the portal or entered electronically.
 - Financial information including income, account balances and monthly expenses. Research the monthly payments and amounts due for any debts that will be paid over the next 10 months.
- Review/complete IRS Form 4506-T for any person owning 20% or more of the business, as well as for any owner who has more than a 50% ownership in an affiliate business.

- Copies of the most recent Federal income tax business tax return filed for your business, including all schedules. Have a PDF version available if they request it.
- Financial Information for the current year-to-date 2020, detailed, Profit Loss Statement and a Balance Sheet statement for the business to enter into the portal application as well.
- Review the Personal Financial Statement (SBA Form 413) for the sole proprietorship owner, or for each principal of the business entity owning 20% or more of the applicant business.
- Collect any schedule of liabilities that lists all fixed debts for the business (SBA form 2202)
- Collect your personal Federal Tax Return for each principal that owns more than 20% of the business.

What happens next?

- Once you submit your application you will receive an email confirmation.
- Following that you will receive an email letting you know that your email is under review.
- Prepare to be contacted directly from the SBA
 - Have your expenses and financial projections close by in case they call.