



## Thirty on Thursday

# SBA Economic Injury Disaster Loan Program

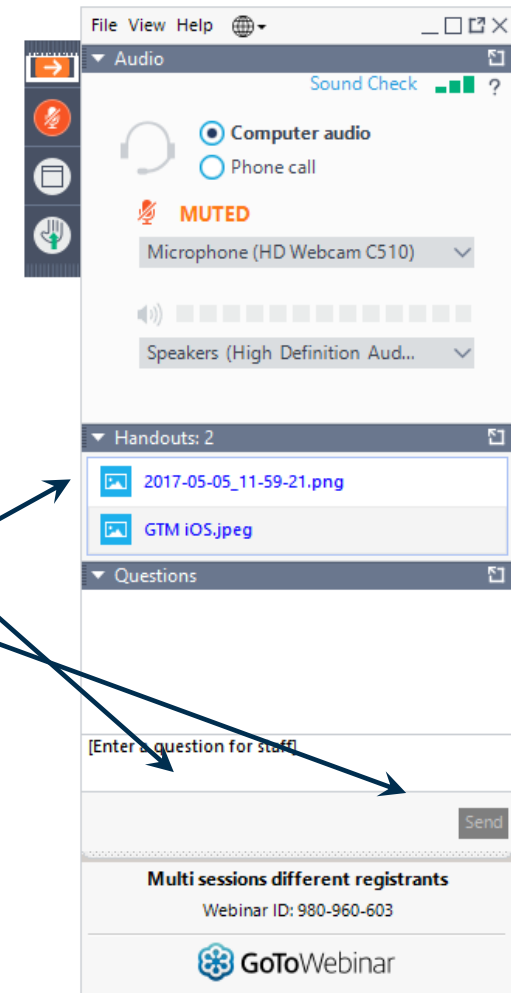


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# Housekeeping Items



- We will not be doing a live Q&A during this webinar.
- If you have questions you would like us to respond to after the webinar, you can submit them via the question pane.
- Question pane: type your questions and comments into the window and click “Send”
- A copy of the PowerPoint will be provided in the handout pane.
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# **SBA's Loan Programs**

## **For COVID-19 Related Economic Disruptions**



U.S. Small Business  
Administration

# Presented by:



U.S. Small Business  
Administration



Robert H. Nelson,  
District Director



Ili Spahiu,  
Lead Lender Relations Specialist

# SBA's Disaster Declaration Makes Loans Available Due to COVID-19



- President Trump signed the Coronavirus Aid, Relief and Economic Security Act into law on March 27, 2020. The economic stimulus bill provides financial assistance to U.S. citizens and U.S. businesses. Within the bill, emergency capital will be made available to sustain our nation's small businesses and their employees during this unprecedented event.
- The U.S. Small Business Administration (SBA) 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).



***Administrator Jovita Carranza***

# SBA's Economic Injury Disaster Loan Basics



## What businesses are eligible to apply?

SBA's Economic Injury Disaster Loans (or working capital loans) are available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan

These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or for expansion.

**The Economic Injury Disaster Loan Advance of \$10,000** is available through:  
<https://covid19relief.sba.gov/#/>

This **Advance** may be available even if your **EIDL** application is still pending or declined and **it will be forgiven**.

# Economic Injury Disaster Loan Features



All loans under the EIDL program will have the following identical features:

- Maximum loan amount up to \$2 million
- Interest rate of 3.75% for profit businesses
- 2.75% for eligible private non-profits entities
- Extended Loan Maturity of 30 years
- First payment deferred for 12 months
- Loans funded by US Treasury & administered by SBA/ODA
- No collateral for loans under \$25,000
- Loans over \$25,000 require collateral.
- No Costs to apply & No obligation to take the loan if offered.
- Personal Guaranties of 20% or greater owners of the business will need required

# SBA's Paycheck Protection Program Basics



## **What businesses are eligible to apply?**

All businesses, including non-profits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors, with 500 or fewer employees, or no greater than the number of employees set by the SBA as the size standard for certain industries

Loan forgiveness if proceeds used for payroll costs and other designated business operating expenses in the 8 weeks following the date of loan origination (due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs)



# Paycheck Protection Program Features



All loans under this program will have the following identical features:

- Maximum loan amount up to \$10 million
- Interest rate of 0.5%
- Loan Maturity of 2 years
- First payment deferred for six months
- Loans are funded through a SBA participating lender
- All loans backed with 100% guarantee by SBA
- No collateral required for all amounts
- No personal guarantees
- No borrower or lender fees payable to SBA

# SBA's Express Bridge Loan Pilot Program



EBL loans can only be made by SBA Express Lenders with a valid SBA Express agreement in effect as of the date of the applicable disaster - March 13, 2020.

In response of the COVID-19 Emergency Declaration, EBL loans can be approved through March 13, 2021.

The Lender must have an existing banking relationship with the EBL applicant as of the date of the applicable disaster.

The minimum acceptable SBSS Score for an EBL loan applicant is 130

The EBL loan must be structured as term loans not to exceed 7 years



- Maximum amount of an EBL loan is \$25,000
- Relaxed Underwriting to match lender's policy requirements
- No Collateral is required for EBL Pilot
- Maximum application fee of 2% of the loan amount not to exceed \$250



# SBA's COVID-19 Related Loan Basics



## What is the criteria for a loan approval?

Credit History - Applicants must have a credit history acceptable to SBA/Lender.

Repayment – SBA/Lender must determine that the applicant business has the ability to repay the SBA loan(s).

Collateral - None Required for PPP/EBL Loans; Economic Injury Disaster Loans over \$25,000 require collateral.

Personal Guaranties - None Required for PPP; EBL/EIDL required the personal guaranty of 20% or greater owners.



# How to Apply



SBA's Customer Service Representatives are ready to serve.

- Economic Injury Disaster Loan applicants visit SBA's secure website at <https://disasterloan.sba.gov/ela>
- Paycheck Protection Program & Express Bridge Loan Pilot Program - Applicants visit a participating SBA Lender
- Disaster loan information and application forms may also be obtained by calling the SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard-of-hearing) or by sending an email to [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).



For system and application help please contact  
SBA's Economic Injury Disaster Loan  
Customer Service Center at (800) 659-2955  
[disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

# SBA District Office Contact Information



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## Resources

- Hotline Access – unlimited number of calls to HR Hotline
- Newsletters: Biz Weekly, HR Edge
- Member Only Blog Content
- Webinars: Free or member pricing
- Events: Free or member pricing
- COVID-19 Content and Resources (Webinars/Blogs/Website)
- Employment Law Reference Guide
- Policy Committee & Roster Eligibility
- Members - Review your membership benefits at <https://aimnet.org/membership/>

# AIM Membership: Introductory Limited Level

*\*New, limited membership level for 1st time members.*

## Resources

- HR Hotline Access – limited to ten Hotline calls
- Newsletters: Biz Weekly, HR Edge
- Member Only Blog Content
- Webinars: Free or member pricing
- Events: Free or member pricing
- COVID-19 Content and Resources (Webinars/Blogs)

Learn more about program benefits at:  
<https://aimnet.org/introductory-limited-membership/>



For more information on HR related resources including events, trainings, services, and more visit...

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# Thank you for Attending!



We have more **Thirty on Thursday** webinars coming up on COVID-19 and beyond. The next few sessions we have planned are:

- April 9<sup>th</sup> - AIM Hot Topics Follow-up Q&A with AIM Experts
  - April 16<sup>th</sup> - State & Federal Tax Implications of COVID-19
  - April 23<sup>rd</sup> - Vocal Leadership, Communicating During Times of Turmoil
- 
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