Economic Injury Loan Program

Wichita District Office

March 26, 2020

Next Webinars are scheduled for:

Tuesday, March 31st at 2:00 p.m.

Thursday, April 2nd at 9:00 a.m.

Monday, April 6th at 2:00 p.m.

Wednesday, April 8th at 1:00 p.m.
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

This includes:
• Businesses directly affected by the disaster
• Businesses that offer services directly related to the businesses in the declaration
• Other businesses indirectly related the industry that are likely to be harmed by losses in their community
(Example: Manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product.)
What is the criteria for a loan approval?

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

Repayment – SBA must determine that the applicant business has the ability to repay the SBA loan.

Eligibility - The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons.
SBA’s Economic Injury Disaster Loan Terms

How much can I borrow?

Eligible entities may qualify for loans up to $2 million.

The interest rates for this disaster are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms up to 30 years. **Loan payments will be deferred for 12 months.**

Eligibility for these working capital loans are based on the size (must be a small business) and type of business and its financial resources.

How can I use the loan funds?

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.
SBA’s Economic Injury Disaster Loan Terms

How is the amount I can borrow calculated?

The loan is for six months of operating expense - basically what the business needs to stay in business right now by covering operating expenses. Decisions are made on a case by case basis by the loan officer.

At this time, what is provided will be accepted.

*Loans over $200,000 may require additional analysis

How will funds be disbursed?

Funds will be disbursed all at once.
Economic Injury Disaster Loan Terms

What are the collateral requirements?

• Economic Injury Disaster Loans over $25,000 require collateral.

• Business assets will be secured

• **SBA is NOT securing real estate as collateral, including personal residences.**

• SBA will not decline a loan for lack of collateral
SBA’s Economic Injury Disaster Loan Basics

What kinds of small businesses can apply?

Examples of eligible industries include but are not limited to the following: hotels, recreational facilities, charter boats, manufactures, sports vendors, owners of rental property, restaurants, retailers, souvenir shops, travel agencies, and wholesalers.

What other criteria is involved?

The applicant business must have a physical presence in the declared disaster area. An applicant’s economic presence alone in a declared area does not meet this requirement. The physical presence must be tangible and significant. Merely having a P.O. Box in the disaster area would not qualify as a physical presence.
Ineligible Entities

What are some of the businesses that are ineligible for an Economic Injury Disaster Loan?

- Agricultural Enterprises - If the primary activity of the business (including its affiliates) is as defined in Section 18(b)(1) of the Small Business Act, neither the business nor its affiliates are eligible for EIDL assistance.

- Religious Organizations

- Charitable Organizations

- Gambling Concerns (Ex: Concerns that derive more than 1/3 of their annual gross revenue from legal gambling activities)

- Casinos & Racetracks (Ex: Businesses whose purpose for being is gambling (e.g., casinos, racetracks, poker parlors, etc.) are not eligible for EIDL assistance regardless of 1/3 criteria above.)
SBA’s Working Capital Loans are Different from Other SBA Loans

SBA’s Economic Injury Disaster Loan (EIDLs) funds come directly from the U.S. Treasury.

Applicants do not go through a bank to apply. Instead apply directly to SBA’s Disaster Assistance Program at: DisasterLoan.sba.gov

There is no cost to apply.

There is no obligation to take the loan if offered.

The maximum unsecured loan amount is $25,000.

Applicants can have an existing SBA Disaster Loan and still qualify for an EIDL for this disaster, but the loans cannot be consolidated.
Basic Filing Requirements

• Completed SBA loan application (SBA Form 5).
• Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates.
• Complete copies of the most recent Federal Income Tax Return -
  •  Non profits only.  Small businesses will not be required to submit return with the application
• Schedule of Liabilities (SBA Form 2202).
• Personal Financial Statement (SBA Form 413).

Other Information may also be requested.

*Filing through the portal is not currently available – email or mail completed paper forms
Additional Filing Requirements

Other information that may be requested:

- Complete copy, including all schedules, of the most recent Federal income tax return for principals, general partners or managing member, and affiliates (see filing requirements for more information).
- If the most recent Federal income tax return has not been filed, a year-end profit-and-loss statement and balance sheet for that tax year.
- A current year-to-date profit-and-loss statement.
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. (This is especially important for Economic Injury Disaster Loans.)
How to Apply

SBA’s Customer Service Representatives are ready to serve.

- **NOT CURRENTLY AVAILABLE** Applicants may apply online using the Electronic Loan Application (ELA) via SBA’s secure website at [https://disasterloan.sba.gov/ela](https://disasterloan.sba.gov/ela)

- Paper loan applications can be downloaded from [www.sba.gov/disaster](http://www.sba.gov/disaster). Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155 or emailed to disasterloans@sba.gov

- 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.
Assistance From SBA Partners

Free assistance with reconstructing financial records, preparing financial statements and submitting the loan application is available from any of SBA’s partners: Small Business Development Centers (SBDCs), SCORE, Women’s Business Centers (WBC), and Veteran’s Business Outreach Centers and local Chambers of Commerce.

For the nearest office, visit: https://www.sba.gov/local-assistance
Submit Your Application As Soon As Possible

Recheck the filing requirements to ensure that all the needed information is submitted.

The biggest reason for delays in processing is due to missing information. Make sure to complete all filing requirements before submitting the application and forms.

If more funds are needed, applicants can submit supporting documents and a request for an increase. If less funds are needed, applicants can request a reduction in the loan amount.

If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration.
Disaster Loan Application Portal (DLAP)

Disaster Loan Assistance
Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters

Choose Loan Information

Eligible Disaster Areas

Apply Online

Check Application Status
Disaster Loan Application Portal

This presentation will provide guidance on how to complete an Electronic Business Application utilizing SBA Form 5 and SBA Form 5C. Before starting this process, please insure you have the filing requirements as defined in this document. These documents are required for processing and EIDL application.
Disaster Loan Assistance
Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters

The Disaster Loan Assistance Portal Apply Online functionality is temporarily unavailable.

To apply for disaster assistance, fill out the applicable paper forms listed below. These completed forms may be uploaded electronically using this link.

Alternatively, you may mail them to:
U.S. Small Business Administration
Processing and Disbursement Center
14925 Kingsport Rd.
Ft. Worth, TX 76155-2243

Or you may email them to: disasterloans@sba.gov.

SBA Disaster Home / Sole Proprietor Loan Application (paper forms)
Please see attachments below to download corresponding forms.

- SBA Form SC. Download, print loan application and complete.
  SBA Form SC (en Español)

- IRS Form 4506-T. Download, Print form and complete or complete version online and print. Please see instructions.
  IRS Form 4506-T Instructions. Follow example to complete form.
  IRS Form 4506-T Instructions (en Español)

- PUERTO RICO ONLY: Modelo SC 2907: Release of Inheritance and Donation (en Español)
  PUERTO RICO ONLY: Hacienda Statement of Authorization

SBA Disaster Business Loan Application (paper forms)
Below are instructions for the SBA Disaster Business Loan Application (paper forms). Please see attachments below to download corresponding forms.

- SBA Form 5. Download, print loan application and complete.
  SBA Form 5 (en Español)

- SBA 159D. Fee Disclosure Form and Compensation Agreement.

- SBA Form 1368. Download, print form and complete.
  SBA Form 1368 (en Español)

- SBA Form 413D Personal Financial Statement. Download, print form and complete or complete version online and print.
  SBA Form 413D Personal Financial Statement (en Español)
Filing Requirements

Electronic Loan Application (Form 5)
Electronic Loan Application (Form 5C) Sole Proprietorship Only
Tax Authorization (Form 4506-T) 20% Owners/GP/50% Affiliate
Most recent Business Tax *Return-non profits only*
Personal Financial Statement (Form 413) 20% Owners/GP
Schedule of Liabilities (Form 2202)
Choose Economic Injury (EIDL)

Fill in the information on this page as necessary, items with a red * are mandatory field and you will not be able to advance to NEXT until these sections are completed.
U.S. Small Business Administration

DISASTER BUSINESS LOAN APPLICATION

FOR SBA INTERNAL USE ONLY

Date Received ________ Location ________ By ______

Physical Declaration Number

Economic Injury Declaration Number

FEMA Registration Number

1. ARE YOU APPLYING FOR:

☐ Physical Damage -- Indicate type of damage

☐ Military Reservist EIDL (MREIDL)

☐ Real Property

☐ Business Contents

☐ Economic Injury (EIDL)

☐ Name of Essential Employee __________________________

☐ Employee's Social Security Number ____________________

PLEASE PROVIDE ALL INFORMATION OR DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS.

* For information about these questions, see the attached Statements Required by Laws and Executive Orders.

Apply online at https://disasterloan.sba.gov/ela/ OR send completed applications to:

U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, Texas 76155

2. ORGANIZATION TYPE *Sole Proprietors should complete form 5C

☐ Partnership

☐ Limited Partnership

☐ Limited Liability Entity

☐ Corporation

☐ Nonprofit Organization

☐ Trust

☐ Other: _____________________
3. **APPLICANT'S LEGAL NAME**

4. **FEDERAL E.I.N. (if applicable)**

5. **TRADE NAME (if different from legal name)**

6. **BUSINESS PHONE NUMBER (including area code)**

7. **MAILING ADDRESS**
   - [ ] Business
   - [ ] Home
   - [ ] Temp
   - [ ] Other
   - Number, Street, and/or Post Office Box
   - City
   - County
   - State
   - Zip

8. **DAMAGED PROPERTY ADDRESS(ES)**
   - (If you need more space, attach additional sheets.)
   - [ ] Same as mailing address
   - [ ] Owned
   - [ ] Leased
   - Number and Street Name
   - City
   - County
   - State
   - Zip

9. **PROVIDE THE NAME(S) OF THE INDIVIDUAL(S) TO CONTACT FOR:**
   - Loss Verification Inspection
   - Information necessary to process the Application
   - Name
   - Name
   - Telephone Number
   - Telephone Number

10. **ALTERNATE WAY TO CONTACT YOU**
    - [ ] Cell Number
    - [ ] E-mail
17. OWNERS
(Individuals and businesses.) Complete for each: 1) proprietor, or 2) limited partner who owns 20% or more interest and each general partner, or 3) stockholder or entity owning 20% or more voting stock.

<table>
<thead>
<tr>
<th>Legal Name</th>
<th>Title/Office</th>
<th>% Owned</th>
<th>E-mail Address</th>
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<tbody>
<tr>
<td>SSN/EIN*</td>
<td>Marital Status</td>
<td>Date of Birth*</td>
<td>Place of Birth*</td>
</tr>
<tr>
<td>Telephone Number (area code)</td>
<td>US Citizen</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Mailing Address</td>
<td>City</td>
<td>State</td>
<td>Zip</td>
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Legal Name | Title/Office | % Owned | E-mail Address |
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<td>State</td>
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* For information about these questions, see the attached Statements Required by Laws and Executive Orders.

Business Entity Owner
Name
EIN
Type of Business
% Ownership
Mailing Address
City
State
Zip Code

E-mail Address
Phone

18. For the applicant business and each owner listed in Item 17, please respond to the following questions, providing dates and details on any question answered YES (Attach an additional sheet for detailed responses).

a. Has the business or a listed owner ever been involved in a bankruptcy or insolvency proceeding? 
   
   [ ] Yes   [ ] No

b. Does the business or a listed owner have any outstanding judgments, tax liens, or pending lawsuits against them? 
   
   [ ] Yes   [ ] No

c. In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in
Page 2 of Form 5 allows the business owner to provide information about any Partners or Affiliate Businesses.

Note: If a business is a partnership all members must listed with the % of ownership until the combined entries equal 100%.

Page 3 is used for any relevant comments.
You can use this form to complete your personal financial statement or upload a financial statement you already have by scanning and uploading that document.

If you indicated you have real estate you must complete this form, supplying additional information.
The applicant and any partner would need to provide information on assets and debts.
Complete each Schedule of Liabilities (SBA Form 2202) shown below.

Applicant would click on Schedule of Liabilities and either complete the SBA form or upload the applicant’s document.

CHADWICK G. NELSON
# SCHEDULE OF LIABILITIES
(Notes, Mortgages and Accounts Payable)

<table>
<thead>
<tr>
<th>Name of Creditor</th>
<th>Original amount</th>
<th>Original date</th>
<th>Current balance</th>
<th>Current or Delinquent?</th>
<th>Maturity date</th>
<th>Payment amount (Month-Year)</th>
<th>How secured</th>
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Each Applicant and Partner must submit a 4506T

Electronically file 4506T

Request for Transcript of Tax Return

SBA requires you to complete the IRS Form 4506-T as a part of your disaster loan application submission. The form authorizes the IRS to provide federal income tax information directly to SBA. Please use this page to enter the additional data needed to populate IRS Form 4506-T.

Name shown on tax return. If a joint return, the name shown first.
CHADWICK G. NELSON
Current address (including apt., room, or suite no.), city, state, and ZIP code
123 MAIN, HERNDON, VA 20170
Previous address shown on the last return filed if different from current address

Previous address shown on the last return filed if different from current address

Tax Form Number(s)

Signature of taxpayer(s):
I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer. I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

NOTE: For transcripts being sent to a third party, this form must be received within 120 days of the signature date.

Signature attests that he/she has read the attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-T.
Instructions for Completing the IRS Tax Authorization Form 4506-T

SBA requires you to complete the IRS Form 4506-T as a part of your disaster loan application submission. The form authorizes the IRS to provide federal income tax information directly to SBA. Although the form can be completed online, you must print and sign the form, then submit to SBA.

The IRS Form 4506-T must be completed and submitted with each SBA disaster loan application, even if you are not required to file a federal income tax return.

A separate IRS Form 4506-T must be returned with the SBA disaster loan application for:

1. each disaster loan applicant (individuals filing joint returns may use a single IRS Form 4506-T),
2. each corporation or partnership in which the disaster loan applicant holds a 50% or greater interest,
3. each individual or entity which holds a 20% or greater interest in the disaster loan applicant,
4. each general partner, and
5. each affiliate business.

Where To Send Form 4506-T (Include your full name and your Application Reference # on all correspondence submitted to the SBA.)

<table>
<thead>
<tr>
<th>Submit your completed document(s) to:</th>
<th>Mail to: U.S. Small Business Administration</th>
</tr>
</thead>
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<tr>
<td>Fax: 202-481-1505</td>
<td>Processing &amp; Disbursement Center</td>
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<tr>
<td>or</td>
<td>Attn: ELA Mail Department</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:ELA-DOC@sba.gov">ELA-DOC@sba.gov</a></td>
<td>P.O. Box 156118</td>
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</tbody>
</table>
U.S. Small Business Administration

Wichita District Office
316-269-6571
www.sba.gov/ks

Sarah Haymaker, Deputy District Director
sarah.haymaker@sba.gov
Cell – 316-250-5612

Janelle Jones, Lender Relations Specialist
janelle.jones@sba.gov
Cell – 202-845-4184

Christie Henry, Lender Relations Specialist
christie.henry@sba.gov
Cell – 316-272-6023
Any Questions?

More information concerning SBA and its programs visit our website at:
www.sba.gov/disaster