SBA Economic Disaster Loan Program Information Session

The session will begin shortly.

Please mute your connection, and use the chat feature of the application to ask questions.
Information Session Agenda

- Loan Program Components
- Eligible Businesses
- Application Process
- Required Documentation
- Application Tips
- Assistance Resources
What is the SBA Economic Disaster Loan Program?

This is the first step in the SBA’s response to the Covid-19 impacts to small businesses.

- This is the resource in their toolbox that they can deploy without legislation
- Designed to keep businesses afloat until the legislative programs that under negotiation can be voted on and deployed by the SBA
- Direct loans from the US Treasury – not transitional loans from a local lender that are guaranteed by the SBA
- There is no cost to apply

Whether or not to apply for and take a loan will be an individual decision.
- We are recommending that you considering applying
  - If nothing else, you will have created an account in the SBA deployment system for future programs
    - This will reduce the time it takes to apply for future programs that will be deployed by the SBA
  - If you apply early, your approval will come earlier
  - If you wait to apply, the influx of applications will place you farther down in the approval que.
- You can always decline the loan once approved.
Loan Program Components

**Working Capital Loans**
- Loan amounts will be determined based on
  - The losses reported to date and the projected losses for the remainder of 2020
  - Overhead expenses of the business as report on your tax returns and internal profit and loss statements
- Maximum loan - $2 million
- Use of Funds
  - Overhead Expenses
  - Payroll
  - Fixed Debts
  - Accounts Payable
  - Cannot be used for loan consolidation
- No personal losses

**Flexible Terms**
- 3.75% Fixed Interest Rate
- Repayment Terms of up to 30 years
- 1st payment will not be due for 6 month from time of loan disbursement
Loans of less than $25,000 will not require collateral
Loans of more than $25,000 will take available collateral – lack of collateral will not result in a loan declination
Collateral can be 2\textsuperscript{nd}, 3\textsuperscript{rd}, 4\textsuperscript{th} position etc.

Approval Criteria

- Acceptable credit history to the SBA
- The business will be capable of loan repayment (SBA is assuming that the applying businesses will be able to re-open following the downturn of the pandemic)
- Past and current performance on federally guaranteed loans
Eligible Businesses:

- Must be physically located in the declared county – All of NYS is expected to be declared in the disaster
  - P.O; Box is not sufficient to prove the physical presence
- Must have suffered working capital losses due to the declared disaster
- Must be a small business as designated by the SBA size standards. If you are unsure if you are a small business, we can assist you with the determination

Sample Industries:

- Hotels
- Recreational Facilities
- Manufacturers
- Venues
- Rental Property Owners
- Retailers
- Wholesale Suppliers
- Professional Services
Ineligible Businesses:

- 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 that 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.)
Application Process

Online Application

Selecting the Correct Application
(Form 5) - For LLC’s/S-Corp’s
(Form 5C) - For Sole Proprietorship Only

https://disasterloan.sba.gov/ela/Account/Login

Expect a minimum of 21 days for processing
Application Portal

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

ANNOUNCEMENT for Coronavirus (COVID-19)
If applying for Coronavirus (COVID-19) disaster declarations, please only select Economic Injury when inquiring about your business losses.

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PLEASE NOTE: Your responses to the requested information are voluntary in order to obtain a benefit under our Disaster Loan Program. However, you are not required to respond to any collection of information unless it displays a currently valid OMB control number.
Federal Forms:
- Tax Information Authorization – IRS Form 4506T – Included in the online portal, does not have to be completed offline
- Schedule of Liabilities – SBA Form 2202 – Included in the online portal, does not have to be completed offline

Personal Financial Statement SBA Form – 413 – Included in the online portal

Most Recent Federal Tax Return for the business and owners

Revenue by month for 2017, 2018, 2019 and 2020
- Months of March to December can be estimates
- There is a worksheet included in the online application or you can upload an Excel spreadsheet
- We have a simple Excel spreadsheet that we can send you

Balance Sheet for the business
- Can be printed from your accounting software
- We have a simple Excel spreadsheet that we can send you
Application Tips

Tax Returns
- Make sure you submit the complete return with all schedules and supporting documentation.

Additional Comments
- This is an open narrative section of the application that can help you make your case for:
  - Statement of injury
    - How your business has been impacted
    - You can’t assume the applicant reviewed is familiar with what is happening in NYS
  - Ability to repay
    - Strategies for re-opening
    - Strategies for survival
  - Financial needs of the business
    - You can include information related to your immediate financial needs/loan request

Complete ALL Information
- The application is wizard based.
Incomplete applications cannot be submitted

Available Resources
- Utilize the resources available to you
  - SBDC
  - Business Partners
    - Chambers
    - EDCs/LDCs
    - Professional Associations
SBDC Assistance

APPLICATION DOCUMENTATION
APPLICATION FILING
ASSISTANCE BY PHONE
ASSISTANCE BY ZOOM
SCHEDULING AN APPOINTMENT - WWW.NYSBDC.ORG
Click on Make an Appointment
The New York SBDC is a network of 22 campus-based centers and dozens of outreach offices that provide free business counseling to startups, entrepreneurs, and small business owners.

Whether you’re a startup outlining your business plan, or small business owner looking for financing to expand, our Business Advisors are easily accessible in-person at a local center or online.

Our free services are made possible by funding from the U.S. Small Business Administration (SBA), the State of New York, and our host campuses.

To set up an appointment by phone, contact your local center or call 800-736-SBDC (7732).
Please note: The information gathered on this form is kept strictly confidential. Your information is only used by SBDC staff and NOT made public, shared or available to third parties.

Contact information (Fields with * are required):

First Name:* 
Last Name:* 
Business Name:* 
Address:* 
City:* 
State/Province:* 
Zip:* 
Country:* 
Email Address:* 
Phone Number:* 
Best Contact Method:* 
Best time for contact:* 

Business information:
Currently in Business:* 
Is this a Home-based Business:*