

SBA Disaster Assistance in Response to the Coronavirus

The Stony Brook SBDC is one of the SBA's designated Partners to provide support services for this effort. For more information and guidance in submitting your application

[Click Here To make an online appointment with one of our Business Advisors](#)

Please Understand The Economic Injury Disaster Loan Program will have inherent delays in processing applications and is not a quick process. As our business advisors will assist our clients in understanding the application process, please be aware of potential time constraints and delays that may occur.

[Updated News and Resources for Small Business Owners](#)

Key points about Disaster Relief due to Coronavirus.

<https://www.sba.gov/funding-programs/disaster-assistance>

- The U.S. Small Business Administration 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).
- Eligibility - The applicant 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. Examples of eligible industries include but are not limited to the following: hotels, recreational facilities, charter boats, manufacturers, sports vendors, owners of rental property, restaurants, retailers, souvenir shops, travel agencies, and wholesalers.
- SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance per small business and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses and the interest rate for non-profits is 2.75%.

- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

- 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.

- Collateral requirements

-Economic Injury Disaster Loans over \$25,000 require collateral which means the maximum *unsecured* loan amount is \$25,000.

-SBA takes real estate as collateral when it is available.

-SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available.

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

- The Application Process – What documentation is needed:

-Completed SBA loan application (SBA Form 5 or 5C)

-Tax Information Authorization (IRS Form 4506T)

-Complete copies of the most recent Federal Income Tax Return.

-Schedule of Liabilities (SBA Form 2202).

-Personal Financial Statement (SBA Form 413).

-Other information may also be requested.

- How to Apply – [Disasterloan.sba.gov](https://disasterloan.sba.gov)

Although a paper application and forms are acceptable, filing electronically is faster and more accurate. There is no cost to apply and there is no obligation to take the loan if offered. The biggest reason for delays in processing the disaster loan application is due to missing or incomplete information. [Make an appointment with a Business Advisor to avoid this most common mistake.](#)

- Visit SBA.gov/disaster for more information.

U.S. SMALL BUSINESS ADMINISTRATION

FACT SHEET – ECONOMIC INJURY DISASTER LOANS

NEW YORK Declaration 16346

(Disaster: NY-00197)

Incident: CORONAVIRUS (COVID-19) occurring: January 31, 2020 & continuing

All counties within the State of New York; the contiguous Connecticut counties of: Fairfield and Litchfield; the contiguous Massachusetts county of: Berkshire; the contiguous New Jersey counties of: Bergen, Hudson, Passaic and Sussex; the contiguous Pennsylvania counties of: Bradford, Erie, McKean, Pike, Potter, Susquehanna, Tioga, Warren and Wayne; and the contiguous Vermont counties of: Addison, Bennington, Chittenden, Grand Isle and Rutland

Application Filing Deadline: December 21, 2020

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.

Credit Requirements:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- 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 3.750 percent.

Loan Terms:

The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

Loan Amount Limit:

The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by 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:

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 SBA 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.

Refinancing:

Economic injury disaster loans cannot be used to refinance long term debts.

Insurance Requirements:

To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area 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, or 3) the maximum insurance available.

Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloan.sba.gov/ela>. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

• Other Key Links:

[Governor Cuomo on Guarantee Paid Leave for New Yorkers Under Mandatory or Precautionary Quarantine Due to COVID-19](#)

[H.R. 6201, FAMILIES FIRST CORONAVIRUS RESPONSE ACT](#)

The legislation provides paid leave, establishes free testing, protects public health workers, and provides important benefits to children and families.

NY DoL Shared Work Program applications available:

The program allows employees on a reduced schedule to collect unemployment for days not worked helping to offset reduced incomes. NY is apparently moving much more quickly than other states and the program is a great way to help reduce expenses while retaining employees. For more information visit

<https://www.labor.ny.gov/ui/employerinfo/shared-work-program.shtm>

[NY State Continuing Temporary Suspension and Modification of Laws Relating to Disaster Emergency:](#)

IRS In Response to Coronavirus

The IRS has established a special section focused on steps to help taxpayers, businesses and others affected by the coronavirus. This page will be updated as new information is available. For other information about the COVID-19 virus, people should visit the Centers for Disease Control and Prevention (CDC) (<https://www.coronavirus.gov>) for health information. Other information about actions being taken by the U.S. government is available at <https://www.usa.gov/coronavirus> and in Spanish at <https://gobierno.usa.gov/coronavirus>. The Department of Treasury also has information available at [Coronavirus: Resources, Updates, and What You Should Know](#).

Additional Sources of Capital

The Main Street Emergency Grant Program, proposed by U.S. Senators Chris Murphy, Jeff Merkley and Chris Van Hollen, would allow small businesses to apply and receive grants quickly [through the Treasury Department](#). “New York City: The [NYC Small Business Services](#) is offering businesses with fewer than five employees grants to cover 40% of payroll costs for two months. Businesses with fewer than 100 employees and sales decreases of 25% or more will be eligible for zero-interest loans of up to \$75,000.”

Private/Nonprofit Companies:

Amazon announced a \$5 million [Neighborhood Small Business Relief Fund](#) to provide cash grants to local Seattle small businesses.

Facebook announced a [\\$100 million grant](#) for small businesses impacted by COVID-19 and launched the [Business Resource Hub](#), which features recommendations to help small businesses stay connected to customers and stay on track.

James Beard Foundation started a [Food and Beverage Industry Relief Fund](#) to provide micro-grants to independent food and beverage small businesses in need.

JPMorgan pledged \$50 million to help struggling customers, and [\\$8 million in aid](#) to small businesses, specifically.

Kabbage launched [an online hub](#) to help boost sales for U.S small businesses impacted by COVID-19, including a system through which businesses can sell gift cards to consumers for use at a later date.

MainVest, a crowdfunding platform, announced its new Main Street Initiative: a [\\$2,000, zero-interest, 120 day loan](#) for restaurants or other brick and mortars affected by the shutdown, in addition to its normal fundraising offerings.

Mark Cuban Cos. [will reimburse employees](#) for any lunch or coffee purchases from local independent small businesses.

Opportunity Fund, which specializes in money lending to small businesses owned by women, immigrants and people of color, is collaborating with investors and nonprofits to put together a [coronavirus relief fund](#) that will provide grants and low-interest rate loans to business owners in need.

The Restaurant Workers’ Community Foundation formed a [COVID-19 Emergency Relief Fund](#) for small businesses and their restaurant workers, and is accepting donations.

Yelp CEO Jeremy Stoppelman announced the company is providing \$25 million in coronavirus relief for independent restaurant and nightlife businesses in the form of waived advertising fees, and free advertising, products and services.