

SBA CORONAVIRUS ECONOMIC **INJURY DISASTER LOANS**

U.S. TRAVEL
ASSOCIATION

WHO IS ELIGIBLE?

- 📌 **SELF-EMPLOYED INDIVIDUALS** that have documented evidence of their income, expenses, and payroll tax filings (as reported on IRS Form 1099-MISC).
- 📌 **SMALL BUSINESSES THAT HAVE 500 OR LESS EMPLOYEES**, with some exceptions.
- 📌 **COOPERATIVES** with 500 employees or less and small agricultural cooperatives.
- 📌 **ANY NON-PROFIT ORGANIZATION** that is tax exempt under Section 501(c) of the tax code.
- 📌 **EMPLOYEE STOCK OWNERSHIP PLANS** with 500 or employees or less.

ADDITIONAL ELIGIBILITY:

Borrowers must have been in business on Jan 31, 2020.

Collateral is required for all loans over \$25,000, but applicants will not be denied for lack of collateral. In such an instance, the SBA will require the borrower to pledge what is available.

Borrowers do not have to be in business for more than a year, prove they can't find credit elsewhere, provide a personal guarantee for loans of \$200,000 or less, or submit a tax return or tax transcript.

Borrowers can be approved based on credit score alone.

What kind of financial assistance is provided?

- The assistance is provided through a **GRANT AND SUBSIDIZED LOAN** through **SBA**, available until December 31, 2020.
- The **INTEREST RATE** is capped at 4%, but normally 3.75% for businesses and 2.75% for non-profit organizations.
- **Loan terms are on a case-by-case basis:** The term of the loan is determined on a case-by-case basis, based upon each borrower's ability to repay, but with a max term of 30 years.
- Governors do not have to request relief for businesses and organizations in their states to have them qualify. **All states and territories are deemed to qualify.**

What can the loan be used for?

PAYROLL and OPERATING EXPENSES: The grants and loans can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the coronavirus outbreak, including:

- Providing paid sick leave to employees unable to work because of the coronavirus outbreak
- Maintaining payroll to retain employees during business disruptions or slowdowns
- Meeting any increased cost of materials due to interrupted supply chains
- Making rent or mortgage payments
- Repaying obligations that cannot be met due to revenue loss.

The loan cannot be used to...

- Refinance existing debt
- Make payments on loans owned by another federal agency (including the SBA) or Small Business Investment Company
- Pay any federal, state or local penalty, criminal fine, or civil fine
- Repair physical damage
- Pay dividends or other disbursements to owners, partners, officers or stockholders, except for reasonable compensations directly related.

How much is it for?

MAXIMUM LOAN AMOUNT is \$2 million

Loss of anticipated profits or a decline in sales alone is not considered “substantial economic injury.”

the amount of ordinary and necessary expenses the borrower cannot cover due to the coronavirus outbreak.

Grants of up to \$10,000 is available within three days, regardless of approval.

A cash advance (grant) of the loan, up to \$10,000, can be provided to the borrower upon request. The grant is provided regardless of whether the borrower is ultimately approved for the loan and does not have to be repaid.

How can I apply?

Once regulations are issued providing for the new loans, borrowers can apply online for an SBA disaster assistance loan.

Borrowers can also contact the SBA disaster assistance customer service center

1-800-659-2955 (TTY: 1-800-877-8339) or

disastercustomerservice@sba.gov