



SBA Disaster Assistance -- COVID-19

Following are notes from a webinar I participated in on Tuesday, March 24. *Information may change, and as it does, we will update this. This information is accurate as of the meeting on March 24, 2020.*

To apply for the SBA Disaster Assistance Loan you do not need to work through your banker. We are not saying don't work with your banker, we are merely saying for this type of loan you do not need to use a banker.

Some information to keep in mind if you plan to complete the application process:

SBA Disaster is separate from SBA. It is not the same office or staff.

Applications are being processed on First In, First Out. So if you are thinking of acting, sooner rather than later would be advised. Our call was on Tuesday, March 24, and at that time they were two to four weeks out. Also, as you are completing the application on line, save often as the system will time out. Write down your username/password, etc.

1. There is no cost to apply, other than your time. It will take a couple of hours to do this.
2. SBA cannot lend to: government entities; farmers or ranchers
3. Small business (that are approved) may borrow up to \$25,000.00 without collateral
4. If you are requesting over \$25,000.00, collateral will be required
5. Funds **MUST** be used for "fixed debts" – these are bills that you could have paid had the disaster not occurred. Examples include: payroll, accounts payable bills, etc. Funds may **NOT** be used to purchase new equipment, expansion, etc.

6. First loan payment will be deferred for eleven months from receipt of loan funds. Your first loan payment will be in month 12.
7. Interest rate is 3.75%; up to 30 year terms
8. Non-profits may apply. Interest rate for non-profits is at 2.75%; up to 30 year terms
9. The biggest reason for a delay is missing information on applications.

The link is www.disasterloan.sba.gov/ela

I received two different phone number on my webinar - one is 800-877-8339; the other is 800-659-2955. It is recommended that you call during off hours, as you can imagine they are overwhelmed with calls right now.

For the nearest SBA office, visit www.sba.gov/local

Please contact me directly at carol@brookfieldchamber.com if you have questions.