



U.S. Small Business
Administration

Agenda

**Disaster Loan Assistance
from the U.S. SBA
to Small Businesses and Non-Profits**

**Non-Financial Assistance
from the U.S. SBA and our Partners**

How a Disaster is Declared



Local Emergency Management documents the disaster using SBA criteria



Documentation goes to local government and eventually the Governor's office



Governor can then declare a state of emergency for Texas



Governor sends declaration and documentation to SBA



If SBA Administrator agrees the SBA Office of Disaster Assistance (ODA) creates a formal disaster declaration

Only at this point is a federal disaster officially 'declared'

Only at this point can EIDL applications be received

How You Can Help

- Submit an Economic Injury Worksheet to the State at this link:

<https://tdem.texas.gov/covid-19/>

- This worksheet can help them complete the declaration faster

ESTIMATED DISASTER ECONOMIC INJURY WORKSHEET FOR BUSINESSES

This form is not required, but is a convenience in clarifying the supporting documentation the state is required to submit to the U.S. Small Business Administration when requesting an Economic Injury Disaster Loan Declaration. This information in any other format would also be acceptable. For your convenience, this form may be filled out electronically or manually.

Name of Business: _____ **Type of Business:** _____

Owner Details

Last Name: _____ First Name: _____

Work Phone: _____ Email: _____

Home Phone: _____ Property Owner: _____

Business Owner Mailing Address

Address: _____

City: _____ State: _____ Zip Code: _____ County: _____

Business Street Address

Address: _____ Same As Above ☐

City: _____ State: _____ Zip Code: _____ County: _____

Estimated Adverse Economic Impact

When did the impact start and what is the estimated end date? From: _____ To: _____

What were your businesses' revenues during the affected damage period? _____

What were your businesses' revenues during that **SAME** period of the prior year? _____

Amount of business interruption insurance received or anticipated, if any: _____

Please provide a brief explanation of what adverse economic effects the disaster had on your business:

How many people did you employ prior to disaster? _____ How many did you employ after disaster: _____

Physical Damage to Business Property

If your business also suffered property damage, please answer the following questions:

Estimated dollar loss to: Real Property (Building), if owned: _____

Contents *: _____ * - includes machinery and equipment, furniture and fixtures, inventory, leasehold improvements, etc.

Insurance recovery expected or received for property damages: _____

Date Form Completed: _____

Form Completed By: _____ Title: _____

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Economic Injury Disaster Loans (EIDL)



Loans up to \$2 million



Small businesses and private non-profits are eligible



May be used for fixed debts, payroll, accounts payable and other bills affected by the disaster



3.75% interest rate for small businesses *without credit available elsewhere*; businesses with credit available elsewhere are not eligible



2.75% for private non-profits



Long-term repayments, on a case by case basis, up to a maximum of 30 years

How to Apply for EIDL

Typically, for a physical disaster (*such as Hurricane Harvey*) local Disaster Recovery Centers are used

- For the COVID-19 disaster it will be virtual / online
- The website for applying for EIDL is www.sba.gov/disaster
- You may also contact the SBA disaster customer service center:
 - 1-800-659-2955
 - e-mail disastercustomerservice@sba.gov
 - TTY: 1-800-877-8339

What You Need to Apply

- In addition to the loan application:
 - Completed IRS Form 4506-Ts:
 - for owner
 - each principal that owns 20% or more
 - each general partner or managing member
 - each owner who owns more than 50% of an affiliate business
 - At least two (2) years complete business tax returns with all schedules
 - Personal Financial Statement for each applicant
 - Schedule of Liabilities for all fixed debts
- Optional:
 - Items above *plus* 2 years complete financial statements
 - P&L, Balance Sheet, Cash Flow
 - Monthly revenue records for at least 2 years

The Three Step Disaster Loan Process

Apply online per previous slide

Loan Processing Decision

- Information is verified and credit checked
- Forecasts are completed to determine the EIDL amount
- A loan officer contacts you to make recommendation and discuss next steps
- Decision normally takes up to 4 weeks

Loan Closes and Funds Disbursed

- Sign and Submit Loan Documents
- Initial disbursement of \$25K within 5 days
- A Case Manager is assigned that will help you with the rest

Disaster Bridge Loans

Can be useful while you are waiting on EIDL disbursement

- The application itself
- The financial projections
- The disbursement

Your existing bank may offer SBA Express Disaster Bridge Loans

- Up to \$25K
- Can usually be done quickly
- Will be repaid in full or in part by proceeds from the EIDL loan

What If You Don't Need EIDL or Don't Qualify?

- Many businesses may not need EIDL.
- If your business is in good financial shape, traditional bank financing may be available from your existing banker / lender
- Local entities unaffiliated with the U.S. SBA may also offer help

Important Non-Monetary Assistance from SBA

SBA has three local Resource Partners

- Texas Gulf Coast Small Business Development Centers (SBDC)
- SCORE Mentors (virtual only)
- The Women's Business Center (WBC)

A range of help during the downturn, to include:

- Cash flow management / short term financial management
- Messaging / Social Media to stay engaged with customers
- Import/Export
- Supply Chain
- Strategic Planning and Financial Tune-Up; prepare to prosper after the disaster
- Planning for further disasters / Risk management / Insurance counseling

Forbearance of Your Existing SBA Loan (*Non-Disaster*)

7(a) Loans and Micro Loans

- Lenders may help with temporary cash flow issues by deferring payments
- For 7(a) loans, up to six (6) consecutive months
 - *Unless guarantee has been sold, in which case 90 days*
- For micro loans, up to six (6) consecutive months
 - *Deferment may not cause the loan to extend beyond the maximum six (6) year maturity*

504 Loans

- CDCs may help with temporary cash flow issues by deferring payments
- Up to six (6) consecutive months or 20% of the original loan amount, whichever is less

Contact Information

Small Business Development Center <i>713 752 8444</i> <i>Sbdc.uh.edu</i>	Houston SCORE <i>713 487 6565</i> <i>Houston.score.org</i>
Women's Business Center <i>713 681 9232</i> <i>www.wbea-texas.org/womens-business-center</i>	US Small Business Administration <i>713 773 6500</i> <i>Www.sba.gov/tx/houston</i>