



U.S. Small Business  
Administration

## U.S. SMALL BUSINESS ADMINISTRATION FACT SHEET – ECONOMIC INJURY DISASTER LOANS

### CALIFORNIA Declaration #16332

(Disaster: CA-00313)

Incident: CORONAVIRUS (COVID-19)

occurring: January 31, 2020 & continuing

in the California counties of: *Alameda, Calaveras, Contra Costa, Los Angeles, Sacramento, San Diego, San Francisco, San Mateo, Sonoma & Tuolumne;*  
and the contiguous California counties of: *Alpine, Amador, El Dorado, Imperial, Kern, Lake, Madera, Marin, Mariposa, Mendocino, Merced, Mono, Napa, Orange, Placer, Riverside, San Bernardino, San Joaquin, Santa Clara, Santa Cruz, Solano, Stanislaus, Sutter, Ventura & Yolo*

**Application Filing Deadline: December 16, 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 4 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](mailto: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.

# THE THREE STEP PROCESS: ECONOMIC INJURY DISASTER LOANS

## About Economic Injury Disaster Loans

The U. S. Small Business Administration (SBA) provides low-interest, long-term economic injury disaster loans to small businesses, small agricultural cooperatives, and most private non-profit organizations to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. EIDLs provide the necessary working capital to help small business survive until normal operations resume after a disaster.

### STEP 1: Apply for Loan

- Apply online at the SBA’s secure website [disasterloan.sba.gov/ela](https://disasterloan.sba.gov/ela).
- As a small business, small agricultural cooperative, small business engaged in aquaculture, or private non-profit organization you may borrow up to \$2 million for Economic Injury.
- Substantial Economic Injury means that the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses.

### STEP 2: Loan Processing Decision Made

- SBA **reviews your credit** before conducting an inspection to verify your losses.
- A loan officer will determine your **eligibility** during processing.
- A loan officer works with you to provide all the necessary information needed to reach a loan determination. Our goal is to arrive at a decision on your application within 2 - 3 weeks.
- A loan officer will contact you to discuss the loan recommendation and your next steps. You will also be advised in writing of all loan decisions.

### STEP 3: Loan Closed and Funds Disbursed

- SBA will prepare and send your Loan Closing Documents to you for your signature.
- Once we receive your signed Loan Closing Documents, a disbursement will be made to you within 5 days.
- Your loan may be adjusted after closing due to your changing circumstances or if the disaster lasts for an extended period of time.

## Required Documentation

The following documents are required to process your application and reach a loan decision. Your Loan Officer and Case Manager will assist you to ensure that you submit the proper documentation. Approval decision and disbursement of loan funds is dependent on receipt of your documentation.

### BUSINESSES

- Business Loan Application (SBA Form 5) completed and signed by business applicant.
- IRS Form 4506-T completed and signed by Applicant business, each principal owning 20% or more of the applicant business, each general partner or managing member and, for any owner who has more than a 50% ownership in an affiliate business. (Affiliates include business parent, subsidiaries, and/or businesses with common ownership or management).
- Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business; an explanation if not available.
- Personal Financial Statement (SBA Form 413) completed, signed and dated by the applicant (if a sole proprietorship), each principal owning 20% or more of the applicant business, each general partner or managing member.
- Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used).

### ADDITIONAL INFORMATION THAT MAY BE NECESSARY TO PROCESS YOUR APPLICATION:

- Complete copies, including all schedules, of the most recent Federal income tax returns for each principal owning 20% or more of the applicant business, each general partner or managing member, and each affiliate when any owner has more than a 50% ownership in the affiliate business. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management.
- If the most recent Federal income tax return has not been filed, a year-end profit and loss statement and balance sheet for that tax year is acceptable.
- A current year-to-date profit and loss statement.
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures.

**APPLY FOR ASSISTANCE AT**  
[disasterloan.sba.gov/ela](https://disasterloan.sba.gov/ela)



**Or Call**

1-800-659-2955 (SBA Customer Service Center)

1-800-877-8339 (TTY: Deaf and Hard-of-Hearing)

**If you need assistance, please contact the SBDC at  
1(800)616-7232**