



Maricopa SBDC
AZSBDC State Network
GateWay Community College
108 N. 40th Street, South Building (SO)
Phoenix, AZ 85034
www.azsbdc.net | www.maricopa-sbdc.com
Phone 480.784.0590 | Fax 480.784.0599

For COVID-19 Application, Check **Economic Injury** only. [Register for help](#) with Maricopa SBDC

The U.S. Small Business Administration (SBA) is offering low-interest Emergency Injury Disaster Loans (EIDL) for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). This checklist provides information about the Emergency Injury Disaster Assistance Loans. For assistance, request counseling at www.Maricopa-sbdc.com.

For the most current information as of 4/01/2020 go to: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-2> for all SBA Loan Programs and Debt Relief.

Loan Qualifications

The basic eligibility requirements include:

- Credit History: Applicants must have a credit history acceptable to the SBA.
- Repayment: Applicants must show the ability to repay the loan after operations return to normal.
- Collateral: Collateral is required for all Emergency Injury Disaster Loans (EIDL) over \$25,000. The SBA takes real estate as collateral when it is available. The SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.
- Applicants must have a tangible and significant physical presence in the affected disaster area.
- 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. Impact of disaster on operation....you NEED to show impact from COVID-19 on operations. Examples are month-month and year-year comparisons.

Loan Details

- Usage: The loan can be used to pay fixed debts, payroll, accounts payable and other bills that cannot be paid because of the disaster's impact. Injury disaster loans cannot be used to refinance long-term debts.
- Interest rate: 3.75% for small businesses. The interest rate for non-profits is 2.75%. The maximum interest rate for this program is 4%. Interest starts accruing in the first year while principal loan payments are deferred for the first year of the loan.
- Payments: Repayment of the loan may be deferred to a future date. The repayment schedule is discussed with the case manager on a case-by-case basis.



- **Term Length:** SBA offers loans with long-term repayments in order to keep payments affordable, and either a 15 or 30-year term is available. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- **Prepayment Penalties:** There are no pre-payment penalties.
- **Loan Amount Limit:** The law limits EIDLs up 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 Application Fees:** There are no loan application fees.

How to Apply

(1) Apply online at the SBA site: <https://covid19relief.sba.gov/#/>

You do not need to attach any supporting documentation at this time. The system will assign you a Case # and send you an email confirming the receipt of your application. If you checked the box for the \$10,000.00 advance (grant) you should expect it to be funded in approximately 3 business days from date of application. The remaining EIDL process will continue and take approximately 3 weeks, but even if you are declined the EIDL, the \$10,000.00 is yours to use for your business needs. It never needs to be repaid.

(2) Forms and supporting Documentation

When your case manager contacts you for supporting financial documentation, you must comply within a timely manner. They will instruct you where/how to send the documentation.

Deadline to apply: 12/31/2020

Basic Forms that may be requested by your case manager

The following forms are required from all applicants and are available as part of the application process.

- Disaster Business Loan Application (SBA Form #5)
- Request for Tax Return Transcripts (Form #4506T) Required for applicants, principals, and affiliates
- Personal Financial Statement (SBA form #413) Required for all owners of the company
- Schedule of Liabilities (SBA form #2202)
- Complete copies of the most recent Federal Income Tax Return

Forms can be found at SBA.gov and our website www.maricopa-sbdc.com/covid19sbaloanassistance



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Depending on your loan request and situation, supporting financial documentation may also be required such as:

- CURRENT business financial information to include the Profit & Loss Statements and the Balance Sheets
- 3 years *federal tax returns for the business. If the 2019 tax returns have not been filed, a 12/31/2019 Profit & Loss statement and Balance Sheet will suffice.
- 3 years *personal federal tax returns for each owner

*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.

For SBA Questions

Call the SBA customer service number 800-659-2955.

Email the SBA at disastercustomerservice@sba.gov or go to their website at www.sba.gov/disaster

Maricopa Small Business Development Center (SBDC)

Counselors at the SBDC are here to assist you with questions about the disaster loans and how to prepare for the loan application process.

Contact us at: Maricopa-SBDC.com to request counseling assistance.