



Yavapai College SBDC
AZSBDC State Network
Prescott Valley Office
3800 N. Glassford Hill Rd., Suite 208
Prescott Valley, AZ 86314
www.azsbdc.net | www.yc.edu/sbdc
Phone 928-717-7232

For COVID-19 Application, Check **Economic Injury** only. [Register for help](#) with Yavapai College 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.yc.edu/sbdc.

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 effected 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.



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- **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.

Basic Forms Required

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

Depending on your loan request and situation, additional documentation may be required such as:

- CURRENT business financial statements to include the Profit & Loss, 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.



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How to Apply

(1) Apply online at the SBA site: <https://disasterloan.sba.gov/ela/Account/Login>

CAUTION: When filling out the application, be sure to select the “**Economic Injury**” option.

(2) Paper loan applications can be downloaded at www.sba.gov/disaster. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155

(3) Loan information and application forms may also be obtained by calling the SBA’s Customer Service Center at 800-659-2955 (800-877-8339 for the deaf or hard of hearing) or by sending an email to disastercustomerservice@sba.gov.

Deadline to apply: 12/31/2020

Application Process

- You will receive an initial response from the SBA with 3-5 days of submitting your application.
- Depending on determined eligibility, you will be assigned a case manager who will assist you with the process and discuss any additional information and documentation that may be required.
- Loan processing will take approximately 3 weeks. Monies will typically be disbursed on a monthly or quarterly basis.
- If you are declined, there is a process for reconsideration.
- To check application status: <https://disasterloan.sba.gov/ela/>

Note: Processing times may change based on demand for the disaster assistance loans.

For SBA Questions

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

Email the SBA at disastercustomerservice@sba.gov or www.sba.gov/disaster

Yavapai College 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: [REGISTER HERE](#) to request counseling assistance.