

SBA DISASTER ASSISTANCE IN RESPONSE TO THE CORONAVIRUS – LOW-INTEREST LOANS

In response to the novel coronavirus (COVID-19) pandemic affecting the small business community across the country, the U.S. Small Business Administration (SBA) is offering low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury. Substantial economic injury means the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. \$50 billion in funding has been set aside for the program.

SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance per small business and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The loans can be used to fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.

Loans will be underwritten by the federal SBA program. The interest rate is 3.75% for small businesses without credit available elsewhere, and 2.75% for non-profit organizations. Businesses with credit available elsewhere are not eligible. The loans offer long-term repayment terms in order to keep payments affordable, up to 30 years, and will be determined on a case-by-case basis based upon each borrower's ability to repay.

While the loans are offered through a federal program, they are administered through the application by governors of states and territories to be included and considered a designated state or territory. Once a declaration is made by SBA for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to the affected communities and updated online at SBA.gov/disaster.

Most states and territories are still in the process of applying to be a designated area for Economic Injury Disaster Loan assistance. As part of this process, many states are asking businesses to fill out and submit surveys on the state of their business to better understand the need in their area. As of this publication, the following states and contiguous counties have been declared designated areas:

- District of Columbia (Contiguous Counties: Montgomery and Prince George, Maryland; Alexandria City, Arlington and Fairfax, Virginia)
- Maine (Contiguous Counties: Carroll, Rockingham and Strafford, New Hampshire)
- Montana (Contiguous Counties: Clearwater, Fremont and Idaho, Idaho; Divide and Williams, North Dakota; Park and Teton, Wyoming)
- Nevada (Contiguous Counties: Mohave, Arizona; Cassia, Owyhee and Twin Falls, Idaho; Harney and Lake, Oregon)
- New Mexico (Contiguous Counties: Apache and Greenlee, Arizona; Archuleta, Costilla, La Plata, Las Animas and Montezuma, Colorado; Andrews, Cochran, Deaf Smith, El Paso, Gaines, Hartley, Loving, Oldham, Winkler and Yoakum, Texas)
- Rhode Island (Contiguous Counties: New London and Windham, Connecticut; Bristol, Norfolk and Worcester, Massachusetts)
- Utah (Contiguous Counties: Apache, Coconino, Mohave and Navajo, Arizona; Dolores, Mesa, Montezuma, Montrose and San Miguel, Colorado; Sweetwater and Uinta, Wyoming)
- Washington (Contiguous Counties: Benewah, Latah and Nez Perce Idaho; Gilliam, Hood River, Morrow, Sherman, Umatilla and Wasco, Oregon)

The list of designated areas will continue to be updated as states and territories apply and are approved. You can check this list at sba.gov/disaster-assistance/coronavirus-covid-19. Our team will be continuously monitoring the program as it expands and details on how businesses can apply within each state are released.

