



## Small Business Administration (SBA) – Economic Injury Disaster Loan

Businesses located in all counties in Arkansas are eligible for the SBA Economic Disaster Loan Program as it relates to COVID-19 impact to business operations. If your business was directly or in-directly impacted by the current Health Emergency, you may qualify.

Please follow this link to apply on-line: [SBA Disaster Loan on-line application](#)

Paper loan applications can be downloaded from [www.sba.gov/disaster](http://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

Disaster 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 and hard-of-hearing) or by sending an email to [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

**NOTE:**

- *Although a paper application and forms are acceptable, filing electronically is easier, faster and more accurate*
- *The SBA website is experiencing higher than usual activity and may be unavailable at times for maintenance, etc. PLEASE KEEP TRYING TO ACCESS, LOANS ARE FIRST COME FIRST SERVE.*



The U.S. Small Business Administration (SBA) is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). All counties in the State of Arkansas have been approved and are currently included in the designated status list.

- Loans (or working capital loans) are available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations, this includes;
  - Businesses directly affected by the disaster
  - Businesses that offer services directly related to the businesses in the declaration
  - Other businesses indirectly related the industry that are likely to be harmed by losses in their community
- The applicant business ***must have a physical presence in the declared disaster area***. The physical presence must be tangible and significant. Merely having a P.O. Box in the disaster area would not qualify as a physical presence.
- Examples of business that qualify NOTE: this is not intended to be an all-inclusive list
  - Hotels
  - Recreational facilities
  - Charter boats
  - Manufactures
  - Sports vendors
  - Owners of rental property
  - Restaurants
  - Retailers
  - Souvenir shops
  - Travel agencies
  - Wholesalers



## Questions & Answers

### Loan approval criteria

- Credit History – the applicants must have a credit history acceptable to SBA
- Repayment – the SBA must determine that the applicant business is able to repay the loan
- Eligibility – the applicant business must meet the following requirements
  - be physically located in a declared county
  - suffered working capital losses due to the declared disaster
  - loss is **NOT** due to a normal downturn in the economy or other reasons

### How much can I borrow?

- Eligible entities may qualify for loans up to \$2 million
- The interest rates for this disaster are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms up to 30 years
- Eligibility for these working capital loans are based on the size (must be a small business) and type of business and its financial resources

### How can I use the loan funds?

- These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred
- The loans are not intended to replace lost sales or profits or for expansion

### What are the collateral requirements?

- Economic Injury Disaster Loans over \$25,000 require collateral
- SBA takes real estate as collateral when it is available
- Loans will not be declined for lack of collateral, but borrowers are required to pledge what is available



## Other notes of interest

### Working Capital Loans are Different from Other SBA Loans

- Economic Injury Disaster Loan (EIDLs) funds come directly from the U.S. Treasury
- Applicants do not go through a bank – to apply go directly to SBA’s Disaster Assistance Program at: [www.DisasterLoan.sba.gov](http://www.DisasterLoan.sba.gov)
- There is no cost to apply
- There is no obligation to take the loan if offered
- The maximum unsecured loan amount is \$25,000
- Applicants can have an existing SBA Disaster Loan and still qualify for an EIDL for this disaster

### Basic Filing Requirements

- Completed SBA loan application (SBA Form 5)
- Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates
- Complete copies of the most recent Federal Income Tax Return
- Schedule of Liabilities (SBA Form 2202)
- Personal Financial Statement (SBA Form 413)

*Note: Other Information may also be requested*

### Other information that may be requested

- Complete copy, including all schedules, of the most recent Federal income tax return for principals, general partners or managing member, and affiliates
- 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
- A current year-to-date profit-and-loss statement
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. (This is especially important for Economic Injury Disaster Loans.)

*NOTE, while not required it is prudent to gather this information not*

### Examples of businesses that are ineligible for an Economic Injury Disaster Loan

- Agricultural Enterprises – if the primary activity of the business (including its affiliates) is as defined in Section 18(b)(1) of the Small Business Act, neither the business nor its affiliates are eligible for EIDL assistance
- Religious Organizations
- Charitable Organizations
- Gambling Concerns (Ex: Concerns that derive more than 1/3 of their annual gross revenue from legal gambling activities)
- Casinos & Racetracks (Ex: Businesses whose purpose for being is gambling (e.g., casinos, racetracks, poker parlors, etc.) are not eligible for EIDL assistance regardless of 1/3 criteria above)



## **Additional informational websites**

Arkansas Small Business and Technology Development Center: [ASBTDC Webinar Event Schedule](#)

Fayetteville, Office of Economic Development: [Office of Economic Vitality - COVID-19 Resource Page](#)

U. S. Department of Labor: [OSHA COVID-19 Overview](#)

U. S. Department of Labor: [OSHA Guidance on Preparing Workplaces for COVID-19](#)

Centers for Disease Control and Prevention: [CDC Interim Guidance for Businesses and Employers](#)

Centers for Disease Control and Prevention: [Mass Gatherings or Large Community Events Guidance](#)

Centers for Disease Control and Prevention: [COVID-19 Information for Travel](#)

Centers for Disease Control and Prevention: [Information for Healthcare Professionals](#)

World Health Organization (WHO): [Coronavirus disease \(COVID-19\) outbreak](#)

World Health Organization (WHO): [Rolling updates on coronavirus disease \(COVID-19\)](#)

U. S. Chamber of Commerce: [Workplace Tips For Employees](#)

U. S. Chamber of Commerce: [Guidance For Employers To Plan And Respond To Coronavirus](#)

Arkansas Department of Health: [Novel Coronavirus](#)

Thank you,

A handwritten signature in black ink that reads "Zane Chenault".

Zane Chenault

Chief Economic Development Officer

Fayetteville Chamber of Commerce

21 West Mountain Street, Suite. 300 / P.O. Box 4216

Fayetteville, AR 72702-4216