

SBA Economic Injury Disaster Loan Program

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Today's Host

Ken Harrington

Often known as “the voice of Paychex,” **Ken Harrington** has more than 20 years of experience in training and human resources. Responsible for the launch of Paychex Virtual Sales, Ken holds several, cross-functional roles within the organization, including marketing, product management, and product development.



Today's Host

Thad Inge

Sr Manager, Government Relations

Thad Inge joined Paychex in 2016 and is based in Washington, D.C., where he serves as Sr. Manager for Government Relations. As part of his portfolio, Thad works closely with Congress, the Executive Branch, trade associations, and public policy organizations to monitor and advance policies of importance to Paychex and its small business customers.



Today's Speaker

Alejandro Contreras

Director, Preparedness, Communication and Coordination

Office of Disaster Assistance

U.S. Small Business Administration

sba.gov/disaster

Small Business Administration (SBA)

The SBA's working goal is to avoid having any businesses fail as a result of the slowdown caused by COVID-19.

The [Economic Injury Disaster Loan Program \(EIDL\)](#) is a longstanding program administered by the SBA, and has been leveraged by businesses harmed by natural disasters in the past. These loans are provided directly from the agency.

An SBA administrator will issue an EIDL declaration under the [Small Business Act](#), upon certification from a state governor, in the event that at least five small businesses have suffered substantial economic injury as a result of a disaster. [All states have already begun this process](#) (with many having finished it already).



EIDL Program Overview

The Small Business Administration now offers low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

These loans:

- Require the business to be located in a federally declared disaster area.
- Offer **up to \$2 million in assistance** and may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.
- Are available at **an interest rate of 3.75% for small businesses without credit available elsewhere**, and at an interest rate of **2.75% for non-profits**.
- Offer **long-term repayments** in order to keep payments affordable, up to a **maximum of 30 years**; terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

Currently, the SBA is automatically deferring payments in the first year. Interest would accrue during this time if this option is chosen.

EIDL Application Process

The SBA communicates a 2-step application process.

If you need assistance, please contact the SBA disaster assistance customer service center at 1-800-659-2955 or via e-mail at

disastercustomerservice@sba.gov.

1

Register and apply online at:

<https://disasterloan.sba.gov/ela/Account/Login>

** Businesses must also submit IRS form 4506T, which provides the SBA with access to their tax forms.*

2

Continue to check the status of your loan via the same site at which you registered.

Eligibility Requirements for EIDL

Eligible Business

- The business must reside in an approved disaster area. The SBA is currently working with governors from all U.S. states and territories to have their state or territory added to the list of eligibility.
- Business must be able to prove an economic injury. An injury is defined as a loss in revenue resulting in the inability to cover business expenses.

All states are being backdated to 1/31. This will allow businesses to show their injury beginning in the month of February or March.

- Credit check: while the credit record does not need to be “spotless,” the business must be able to prove it can afford the loan.

Non-Eligible Business

- Certain types of entities, such as religious institutions and businesses within the cannabis industry.

Final Thoughts

The system is [live and loans are available](#) now.

The SBA highly [recommends applying online](#), rather than using the paper form.
Online processing will be faster and will also allow the business to receive automated status updates.

Questions?



Alejandro Contreras is not a Paychex employee; views presented by Mr. Contreras do not necessarily reflect those of Paychex and its affiliates.