SBA Support For Coronavirus Related Economic Disruptions



U.S. Small Business Administration

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SBA's Disaster Declaration Makes Loans Available

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).

Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplement Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.

SBA’s Disaster Assistance for Small Business



Paycheck Protection Program

A multi-billion-dollar loan program for small businesses and nonprofits to maintain existing workforce and help pay for other expenses like rent, mortgage, and utilities.



Small Business Debt Relief

$17 billion for the Small Business Administration (SBA) to cover 6 months of payments for small businesses with existing SBA loans, including 7(a), Community Advantage, 504, and Microloan programs.



Economic Injury Disaster Loans

Multi-billion-dollar funding for SBA Economic Injury Disaster Loans (EIDL), with emergency grants of up to $10,000 to provide immediate relief for small business operating costs.



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Paycheck Protection Program

The Paycheck Protection Program is a multi billion-dollar loan program that applies to:

- Small employers with 500 employees or fewer, as well as those that meet the current Small Business Administration (SBA) size standards
- Self-employed individuals and “gig economy” individuals; and
- Nonprofits, including 501(c)(3) organizations and 501(c)(19) veteran organizations, and tribal business concerns with under 500 employees.

Loan amount:

- The size of the loans equal 250% of an employer’s average monthly payroll, up to a maximum loan amount of $10 million.

Use of funds:

- Covered payroll costs include salary, wages, and payment of cash tips (up to an annual rate of pay of $100,000); employee group health care benefits, including insurance premiums; retirement contributions; and covered leave.
- Loans can also be used to pay interest payments on mortgage obligations, rent, utilities, and interest on other debt obligations previously incurred.



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Paycheck Protection Program

Initial results:

- Nationally provided loans to over 1.6 million applicants
- Over $340 billion of economic relief
- 74% of the loans were under $150,000
- North Carolina applicants received more than $8 billion going to 39,250 applicants

Paycheck Protection Program:
(As of May 5 at 5 p.m.)

- Overall
  - National loans 2.3 mil+ approved for $181 billion
  - Average loan amount of $79,000
  - Lenders: 5,400+
- Lenders > $50B:
  - National loans 1.1 mil+ approved for $96.1 billion
- Lenders btw $10B – $50B:
  - National loans 339,000+ approved for $27.7 billion
- Lenders < $10B:
  - National loans 919,000+ approved for $57.2 billion
- Lender size < $1B:
  - National loans 465,000+ approved for $27 billion

NORTH CAROLINA
80,000+ approved for $12.2 billion



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Economic Injury Disaster Loans and Grants

On March 6, the U.S. Congress passed a COVID-19 preparedness and response supplemental funding bill that designated COVID-19 as a disaster under the Small Business Administration (SBA) and provided $20 million to support the SBA’s administration of loan subsidies to small businesses of up to $2 million per loan.

On March 27, Congress passed the CARES Act, adding $10 billion to the loan program and waiving or relaxing several loan eligibility requirements.



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Economic Injury Disaster Loans and Grants

How much can I borrow?

Eligible entities may qualify for loans up to $2 million.

The interest rates for this disaster are:

- 3.75% for small businesses
- 2.75% for nonprofit organizations

Terms of the loans are decided on a case-by-case basis and on ability to repay, but they can have a maximum length of 30 years; based on a business' actual economic injury and financial needs.

Loans can be approved based on a credit score; tax returns are no longer required.

Eligibility for these working capital loans are based on the size (must be a small business), type of business, and its financial resources.



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Economic Injury Disaster Loans and Grants

EIDL Results:

- National loans - 38,984 approved for $7,967,174,880
- North Carolina loans - 1,120 approved for $221,116,800

EIDL Advance Grant Results:

- National grants - 1,192,519 processed $4,805,897,000
- North Carolina grants - 30,689 processed $128,078,000

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Next Steps

Applicants may visit SBA's secure website at www.sba.gov/coronavirus

Paycheck Protection Program lender list www.sba.gov/nc

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.



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Assistance From SBA Partners

- Free One-on-one business consulting
- Assistance with information that will be required for a Loan
- Each application and every business is different
- Assistance in preparing financial statements
- Assistance with Cash Forecasts, especially for new businesses
- Updating your Business Plan
- Get a checkup for your business

For the nearest office, visit: https://www.sba.gov/local-assistance





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Questions

Office Contact Information

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