

SBA DISASTER LOAN PROCESS GUIDE

Economic Disaster Loans are loans made directly from the Small Business Administration (SBA) to the Small Business Borrower in order to keep the business operating during a disaster, such as the Coronavirus pandemic. Additional information can be found below and on the [SBA's disaster website](#).

I. Basic Eligibility

- A. This is for small businesses who need working capital for fixed expenses (i.e., rent, utilities, payroll, etc.) due to the impact of the Coronavirus on business operations.
- B. Borrower must not be a passive company (i.e., investment real estate companies are not eligible). Borrower also cannot be involved in religious indoctrination, agriculture, gambling, etc.

II. Loan Parameters

- A. Loan amounts up to \$2,000,000 (determined by the actual need of the borrower) Interest rate: 3.75%
- B. Loan terms up to 30 years, but depends upon the repayment ability of the borrower
- C. Loans are automatically deferred for 11 months. Meaning: if the loan closes on 4/1/2020, the first payment is not due until 4/1/2021.
- D. SBA will not decline a loan application simply because of lack of available collateral. However, SBA will take all available assets of the borrower and the personal guarantors in order to secure the loan to the maximum extent possible, including liens on personal residences.
- E. No collateral is required for loans of \$25,000 and under.

III. Process to apply for an SBA Disaster Loan

- A. First, it would be best to collect the minimum required documentation, which is listed below:
 1. SBA Form 5 ([click here](#)).
 2. Form 4506-T ([click here](#)) for each of the following:
 - a. Any individual or entity who owns 20% or more of the applicant business
 - b. The Applicant business itself
 3. Copy of the most recent tax return for each of the following:
 - a. Any individual or entity who owns 20% or more of the applicant business
 - b. The Applicant business itself
 4. SBA Form 413 ([click here](#)) for anyone with 20% or more ownership in the applicant business.
 5. Debt Schedule for the Applicant Business ([click here](#)).
 6. Please note that SBA may require additional financial information, at its discretion, but the above information includes the basic information required. If SBA requests additional information during the process, providing that information quickly is imperative.
- B. Once you have the requested documentation collected, you can apply for the loan on the [SBA's secure website](#).
 1. The loan request will be assigned to a loan officer at the SBA, who will contact you with any questions or requests for additional information. Timely responses to the SBA's requests for information will greatly decrease processing time.
 2. There will be a loan offer made to the borrower within 21 days of a complete loan application.
- C. Once the loan offer has been accepted by the borrower, the SBA will send the closing package via mail for the borrower to sign and mail back to the SBA.
- D. Once the SBA receives and reviews the signed closing documents, the loan funds will be deposited into the account requested by the borrower to be used for working capital.

If you have questions about the SBA Disaster Loan application process, or would like more information, please contact [Genevieve Hall](#) or call the SBA's designated line at 1-800-659-2955.



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