

SBA Economic Impact Disaster Loans Frequently Asked Questions

Is there help for my small business during the Coronavirus Disruption?

Yes, the SBA offers special working capital loans for small businesses and most private non-profit organizations that are affected by the COVID-19 disaster, both directly and indirectly. 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 be used for expansion.

What are the criteria for a loan approval?

- Acceptable Credit History
- Ability to repay the loan
- Eligibility – the applicant business must be physically located in a declared county (All counties in CT are declared) and have suffered working capital losses due to the COVID-19 disaster

How much can I borrow?

Up to \$2 million based on the size and type of business and its financial resources. Loans up to \$25,000 do not require collateral.

What is the interest rate?

3.75% for small businesses and 2.75% for non-profit organizations.

What are the terms?

You have up to 30 years to repay the loan. There is no prepayment penalty. There are no fees to apply.

Are there collateral requirements?

Loans over \$25,000 require collateral. The SBA takes real estate as collateral, when available. The SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available.

How do I apply?

Visit DisasterLoan.sba.gov. There is no cost to apply and no obligation to take the loan if offered. The maximum unsecured loan is \$25,000.

What are the Basic Filing Requirements?

- Completed SBA Loan Application. (Form 5 or 5A for Non-profits)
- Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates (SBA Form 2202)
- Personal Financial Statement. (SBA Form 413)
- *Filing electronically is easier, faster and more accurate*

What other information may be requested?

- Federal income tax returns for principals, general partners etc.
- If the most recent Federal income tax return has not been filed, a year-end profit/loss statement and a balance sheet may be requested.
- Current year-to-date profit/loss statement
- Provide monthly sales figures on SBA Form 1368

What businesses are ineligible?

Agricultural enterprises, religious organizations, charitable organizations, gambling concerns, casinos and racetracks.

Ready to get started?

Apply Online at <https://disasterloan.sba.gov/ela>

**WBDC experts can help you prepare and submit your application.
For assistance, contact Carol Cheswick at (203) 247-3358 or
ccheswick@ctwbdc.org.**