U.S. Small Business Administration
Agenda

Disaster Loan Assistance from the U.S. SBA to Small Businesses and Non-Profits

Non-Financial Assistance from the U.S. SBA and our Partners
How a Disaster is Declared

Local Emergency Management documents the disaster using SBA criteria.

Documentation goes to local government and eventually the Governor’s office.

Governor can then declare a state of emergency for Texas.

Governor sends declaration and documentation to SBA.

If SBA Administrator agrees the SBA Office of Disaster Assistance (ODA) creates a formal disaster declaration.

*Only at this point is a federal disaster officially ‘declared’*

*Only at this point can EIDL applications be received*
Economic Injury Disaster Loans (EIDL)

- Loans up to $2 million
- Small businesses and private non-profits are eligible
- May be used for fixed debts, payroll, accounts payable and other bills affected by the disaster
- 3.75% interest rate for small businesses *without credit available elsewhere*; businesses with credit available elsewhere are not eligible
- 2.75% for private non-profits
- Long-term repayments, on a case by case basis, up to a maximum of 30 years
How to Apply for EIDL

Typically, for a physical disaster (such as Hurricane Harvey) local Disaster Recovery Centers are used

• For the COVID-19 disaster it will be virtual / online
• The website for applying for EIDL is www.sba.gov/disaster
• You may also contact the SBA disaster customer service center:
  • 1-800-659-2955
  • e-mail disastercustomerservice@sba.gov
  • TTY: 1-800-877-8339
What You Need to Apply

• In addition to the loan application:
  • Completed IRS Form 4506-Ts:
    • for owner
    • each principal that owns 20% or more
    • each general partner or managing member
    • each owner who owns more than 50% of an affiliate business
  • At least two (2) years complete business tax returns with all schedules
  • Personal Financial Statement for each applicant
  • Schedule of Liabilities for all fixed debts

• Optional:
  • Items above plus 2 years complete financial statements
    • P&L, Balance Sheet, Cash Flow
    • Monthly revenue records for at least 2 years
The Three Step Disaster Loan Process

Apply online per previous slide

Loan Processing Decision

- Information is verified and credit checked
- Forecasts are completed to determine the EIDL amount
- A loan officer contacts you to make recommendation and discuss next steps
- Decision normally takes up to 4 weeks

Loan Closes and Funds Disbursed

- Sign and Submit Loan Documents
- Initial disbursement of $25K within 5 days
- A Case Manager is assigned that will help you with the rest
Disaster Bridge Loans

Can be useful while you are waiting on EIDL disbursement

- The application itself
- The financial projections
- The disbursement

Your existing bank may offer SBA Express Disaster Bridge Loans

- Up to $25K
- Can usually be done quickly
- Will be repaid in full or in part by proceeds from the EIDL loan
What If You Don’t Need EIDL or Don’t Qualify?

• Many businesses may not need EIDL.

• If your business is in good financial shape, traditional bank financing may be available from your existing banker / lender

• Local entities unaffiliated with the U.S. SBA may also offer help
Important Non-Monetary Assistance from SBA

SBA has three local Resource Partners

- Texas Gulf Coast Small Business Development Centers (SBDC)
- SCORE Mentors (virtual only)
- The Women’s Business Center (WBC)

A range of help during the downturn, to include:

- Cash flow management / short term financial management
- Messaging / Social Media to stay engaged with customers
- Import/Export
- Supply Chain
- Strategic Planning and Financial Tune-Up; prepare to prosper after the disaster
- Planning for further disasters / Risk management / Insurance counseling
# Forbearance of Your Existing SBA Loan (Non-Disaster)

## 7(a) Loans and Micro Loans
- Lenders may help with temporary cash flow issues by deferring payments
- For 7(a) loans, up to six (6) consecutive months
  - *Unless guarantee has been sold, in which case 90 days*
- For micro loans, up to six (6) consecutive months
  - *Deferral may not cause the loan to extend beyond the maximum six (6) year maturity*

## 504 Loans
- CDCs may help with temporary cash flow issues by deferring payments
- Up to six (6) consecutive months or 20% of the original loan amount, whichever is less
# Contact Information

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<tr>
<th>Small Business Development Center</th>
<th>Houston SCORE</th>
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<tbody>
<tr>
<td>713 752 8444</td>
<td>713 487 6565</td>
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<tr>
<td>Sbdc.uh.edu</td>
<td>Houston.score.org</td>
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<tr>
<th>Women’s Business Center</th>
<th>US Small Business Administration</th>
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<td>713 681 9232</td>
<td>713 773 6500</td>
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