

SBA DISASTER ASSISTANCE - LOW-INTEREST LOANS IN RESPONSE TO COVID-19

In response to the novel coronavirus (COVID-19) pandemic affecting the small business community across the country, the U.S. Small Business Administration (SBA) is offering low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury. Substantial economic injury means the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. \$50 billion in funding has been set aside for the program.

SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance per small business and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The loans can be used for fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.

Loans will be underwritten by the federal SBA program. The interest rate is 3.75% for small businesses without credit available elsewhere, and 2.75% for non-profit organizations. Businesses with credit available elsewhere are not eligible. The loans offer long-term repayment terms in order to keep payments affordable, up to 30 years, and will be determined on a case-by-case basis based upon each borrower's ability to repay.

While the loans are offered through a federal program, they are administered through the application by governors of states and territories to be included and considered a designated state or territory. Once a declaration is made by SBA for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to the affected communities and updated online at [SBA.gov/disaster](https://www.sba.gov/disaster).

Small business owners in all U.S. States and Territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19).