

COVID-19 Small Business Administration Disaster Loans

Updated: March 11, 2020

Distributed by: Office of Congressman Rick Larsen

Congress passed an \$8.3 billion supplemental funding bill to address the impact of the COVID-19 response efforts. The legislation also categorizes COVID-19 as a disaster under the Small Business Administration (SBA) to address the economic consequences. These efforts will allow small business owners to access up to \$7 billion in low-interest loans. Details of eligibility and administration of this assistance from SBA are still being addressed by the SBA. Below is general information for counties and local governments to know. All information was compiled from information distributed by Governor's Office and SBA.

INFORMATION FOR COUNTIES

Background on Disaster Loan Program

- *The SBA administers an Economic Injury Disaster Loan (EIDL) Program to lessen the economic burden on small businesses.*
- *This program provides relief from economic injury caused directly by the disaster and permits the business to maintain a reasonable working capital position during the period affected by the disaster.*
- Small businesses and small agricultural cooperatives who suffered substantial economic injury may be eligible for the SBA's Economic Injury Disaster Loan (EIDL) Program.
- Substantial economic injury is the inability of a business to meet its obligations to pay its operating expenses.
- These loans help meet financial obligations a business could meet if the interruption to business did not occur.
- If a county is approved for SBA Economic Loss Declaration, then contiguous counties around the declared county are eligible for SBA economic injury assistance.

Information about SBA Disaster Loans

- *Although the SBA guidance is still being available regarding specific eligibility and administration of assistance, some criteria from the traditional SBA Economic Injury Disaster Loan (EIDL) program apply.*
- The SBA only provides EIDL assistance to businesses that SBA determines are unable to obtain credit elsewhere.
- The loan amount will be based on the business' actual economic injury and financial needs.
- The interest rate on EIDLs cannot exceed 4 percent per year.
- The term of the loans cannot exceed 30 years.
- Terms and conditions will be determined by the business' ability to repay the loan

Economic Injury Worksheet

- *The Economic Injury Worksheet records the business details and the estimated economic impact.*
- *These forms must be completed by small business owners then collected at the county level for them to submit to the State.*
- To apply for assistance, counties must provide one (1) Economic Injury Worksheet for at least one business demonstrating economic loss due to COVID-19.
- There must be a minimum of five (5) Economic Injury Worksheets submitted statewide for WA to be eligible.
- Counties should work with cities and towns to collect completed Economic Injury Worksheets from small business owners.
- Counties should submit completed worksheets to HSDamage@mil.wa.gov.

Emergency Management Division Contact

- *At this time, questions should be directed towards the Washington Emergency Management Division.*
- **Travis Linares-Hengen**
- Email: Travis.Linares-Hengen@mil.wa.gov.
- Phone: (253) 512-7028

