



What are the qualifications to obtain funding?

Small businesses, private non-profit organizations of any size, small agricultural cooperatives and small aquaculture enterprises that have been financially impacted as a direct result of the Coronavirus (COVID-19) since January 31, 2020, may qualify for Economic Injury Disaster Loans (EIDL) of up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred.

What will determine the amount of funding received?

The amount will be what the business needs for 6 months of working capital to keep the business resilient and vibrant.

What is the maximum loan amount?

The maximum loan amount is up to \$2 million. The loan amount is based on the working capital needs caused by the coronavirus so the business can meet its ongoing obligations.

I have heard comments from some elected officials that the loans would be forgiven at a later date. Is this accurate?

No. The Coronavirus Preparedness and Response Supplemental Appropriations Act recently signed by the President, does not authorize loan forgiveness so borrowers should expect to repay EIDL loans. Borrowers need to demonstrate the ability and willingness to repay the loans.

The Coronavirus Aid, Relief, and Economic Security Act (CARES) contains draft language regarding potential loan forgiveness, but until the bill becomes a law that gives SBA statutory authority to forgive loans and rules are provided, borrowers should expect to repay EIDL funds received.

Will payments be deferred or will payments need to begin right away?

All EIDL payments will be automatically deferred for 12 months, however, interest will begin accruing at disbursement.

If payments are made and the loan is later forgiven, will payments previously made be refunded?

SBA does not currently have statutory authority for loan forgiveness, borrowers will need to demonstrate the willingness and ability to repay the loan.

Are there certain uses of the funds that will allow the loan to be forgiven?

No.



Is the primary purpose of this funding to businesses to allow them to retain employees due to declining revenue?

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 for expansion. The purpose of the program is to help businesses sustain and recover from this temporary condition/disaster. The funds are not intended to totally refinance debt, but to help with needed working capital

Would the business and the employee be better off taking advantage of enhanced unemployment benefits rather than using SBA funds to keep employees on our payroll?

That is beyond SBA's scope of authority to answer. We would advise that every business owner will need to review their particular situation to determine what's most beneficial to their organization and employees.

What information should applicants have on hand before applying for the disaster loan?

Check <https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf> for information about the three-step loan process. You'll need a personal financial statement, similar to what you would submit for other types of loans. You will also need:

- Tax Information Authorization (IRS Form 4506-T), completed and signed by each applicant, each principal owning 20 percent or more of the applicant business, each general partner or managing member; and, for any owner who has more than 50 percent ownership in an affiliate business.
- Tax returns from private non-profits (small businesses don't need this at application, but may be asked in the loan review process)
- Personal Financial Statement (SBA Form 413) completed, signed, and dated by the applicant, each principal owning 20 percent or more of the applicant business, and each general partner or managing member
- Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used)
- A current year-to-date profit –and-loss statement

Information on how to apply here <https://disasterloan.sba.gov/ela/Home/COVID19DeliveryOptions>



Does this cover businesses who have recently opened their doors and been in business for less than six months?

Yes. They are eligible and need to demonstrate their cash flow and expenses have changed as a result of this temporary condition/disaster

What will the loans be based on?

The loans will be based on six months of the applicant's working capital. That amount may need to be projected in the case of businesses who have just opened.

What are the qualifications for obtaining funding?

The SBA has set standards for defining who is a small business. You can find the size standards here <https://www.sba.gov/document/support-table-size-standards>

Are nonprofits eligible?

Some are eligible. Check www.sba.gov/disaster for more information. Churches are not eligible unless they have a service that is generating an income (a private school is an example). When in doubt, please check the website or the phone number for more information.

What is the turnaround time for the application to be processed and the timeframe for receiving funds?

The normal application turnaround time is 2 to 3 weeks. You can expect that as a minimum turnaround time. With the additional volume of applications, there may be delays. Once the application is approved, loan documents will be sent to the applicant. Upon receiving the executed documents from the business, funds will be disbursed within 5 business days.

How does the SBA define "severely impacted" in terms of businesses that can apply for the funds?

Businesses just need to demonstrate that they have been negatively impacted by this disaster in terms of payroll disruption and other items that could lead to financial problems i.e. inability to pay vendors, payments on loans, rent, mortgage, etc.

A business needs to define its loss in comparison to its 2019 operations/financials. Losses will be compared to the effective incident period starting on January 31, 2020. Just a loss needs to be reported; there is no threshold of a percentage or dollar amount.



Are the loans available to sole proprietors?

Yes. It must be an entity in which the owner is actively engaged and the entity must have a physical address in the state of Kansas.

Should I apply even if I'm not sure if I will qualify?

Yes, we encourage all businesses and private non-profits to apply. Move forward with an application so that you are in the queue. The SBA will work with you to determine if you actually qualify. There's no cost to apply and no obligation to take the loan if you work through the process and then determine that your business is recovering and you do not need some or all of approved loan amount.

How long is the application process open?

The process runs January 31 of 2020 through December 21 of 2020.

Where do I find the application forms?

They are available at www.sba.gov/disaster or <https://disasterloan.sba.gov/ela/Information/PaperForms>. The quickest way to apply is online and you will need to upload the documentation that accompanies the application. If you do not have access to a computer, the local SBA office can mail you the paperwork. Call 316-269-6616.

Update on March 25, 2020:

The portal has been unavailable off and on for the last couple of days. We are working diligently to meet customer demand for the EIDL and make the process as user-friendly and easy as possible for you. As we make changes, we will have update periods where things will be in flux. While this is happening now, we still want to make sure you have a way to fill out and submit your application. If you are having issues accessing the website, try clearing your browsing data/cache. Also, as things are improved, we will update you accordingly with the new information.

- The SBA is currently working to restore access to the Electronic Loan Application portal. When the portal is back up and running, we highly encourage people to apply for an Economic Injury Disaster Loan online via the SBA portal: <https://disasterloan.sba.gov/ela/>
- There is now a drop box on the site where applicants can download the forms and submit through the site
- When the online application portal is not available, business owners and private nonprofits can still apply for an EIDL loan by submitting their disaster loan forms to the SBA via email or by regular mail. Please go to <https://disasterloan.sba.gov/ela/Home/OfflineApply> for more instructions. Users can access the required forms (in English or Spanish) by clicking the link <https://disasterloan.sba.gov/ela/Information/PaperForms>. Applicants should complete the



fillable PDF forms and save them on their computer, and then email the completed forms to disasterloans@sba.gov or mail physical copies to the SBA at this address:

U.S. Small Business Administration
Processing & Disbursement Center
Attn: ELA Mail Department
P.O. Box 156119
Fort Worth, TX 76155

- NOTE: After applicants have completed the PDF versions of application forms, people should double-check to see if the online Electronic Loan Application has been restored before sending the PDF forms to the SBA via email or regular mail.

If it turns out that the applicant can log-in to the Electronic Loan Application at that point, they should transfer the information they typed into the PDF version of the forms and enter the information into the Disaster Loan Application Portal. While this may be duplicative work, the Disaster Loan applications submitted through the portal will take less time for the SBA to process.

This is a list of documentation you will need in the application process and the forms can be found at this link <https://disasterloan.sba.gov/ela/Information/PaperForms>

Are the loans made directly with the SBA? Or do they run through lenders?

SBA disaster loans are accessed directly from the SBA. They are direct, federal loans from the U.S. Treasury.

What goes into a schedule of liabilities that must be submitted with the application?

At a minimum this should include your regular, recurring liabilities such as payroll, rent or mortgage, notes or accounts payable, utilities, etc. SBA counselors can assist you with your specific questions. Check <https://sba.gov/disaster> and the phone number listed above.

Can you obtain more than one type of loan from the SBA?

Yes. However, SBA disaster loans are not intended for the same usage as SBA's guaranteed loan programs – 7(a) or 504 loans.



What are the terms and the interest rates?

The terms for this specific loan are set for thirty (30) years. The interest rate for a for-profit business 3.75%. If you are a nonprofit it's 2.75%. There is a twelve month deferment on the first loan payment. The interest begins on the date of the disbursement.

Can loan applications be amended if needed?

Yes. Loan applications can be amended during the initial process.

What about the disbursements of the loans?

We have recently been advised that these will likely be a one time disbursement. Your SBA customer service representative can provide more information about how the loan will be disbursed when it is being approved.

Do businesses request a specific loan amount or does the SBA make the determination of the loan amount?

The SBA makes that determination based on your working capital needs. The accuracy of the application and accompanying documents are critical since that is how the loan will be determined.

For the loan application, what is considered the first date of the disaster?

January 31, 2020

How should seasonal businesses approach this? Those businesses that ramp up in terms of employees and inventory for short periods of time.

These businesses need to demonstrate what their losses are estimated to be, just like non-seasonal businesses.

What is the definition of an employee for this loan? Do part time employees count?

Check the Employee (FTE) calculator <https://www.healthcare.gov/shop-calculators-fte/>

Do businesses with multiple locations need multiple log ins? And do they apply as separate locations or one unit?

It will depend how the business is structured. If there is one EIN and it is truly functioning as one business with multiple locations, there would be one application. The customer service representatives can provide additional guidance 1(800) 659-2955



If you own multiple small businesses can you apply for all of them or are you limited to one business?

The applicant is the business, not the individual owner. Each case will be different depending on how the businesses are structured, if they are affiliated, etc. The customer service representatives can provide additional guidance on individual situations 1(800) 659-2955 or contact one of our resource partners for counseling www.sba.gov/localassistance

It appears that small businesses might not be eligible to participate in the proposed federal \$350 billion program that provides forgivable loans if the business has been granted an SBA Disaster Loan. Should we apply for both and see what we get?

At this time we do not have any information about the eligibility or restrictions that are a part of the CARES Act Phase III that is currently moving through Congress. We can advise that there is no cost to apply for SBA's Economic Injury Disaster Loan funds, the processing will take time, and there is no obligation to take the SBA disaster loan or take disbursement immediately.



U.S. Small Business
Administration

Q&A from Wichita Regional Chamber
of Commerce Facebook Live Event
March 23, 2020
