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# COVID-19

Economic Injury Disaster Loan (EIDL)  
Information For Your Business



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Note: This program will be expanded and funded by the federal government with the emergency stimulus act now being discussed in Congress.

#### Program Requirements:

To be eligible for EIDL assistance, small businesses or private nonprofit organizations must have sustained economic injury and be located in a disaster declared county or contiguous county.



## Terms of Loan

The Small Business Administration (SBA) can provide up to \$2 million in disaster assistance to a business. The \$2 million loan cap includes both physical disaster loans and EIDLs. There are no upfront fees or early payment penalties charged by SBA. The repayment term will be determined by your ability to repay the loan.

The current interest rates for this disaster are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms up to 30 years.

Applicants must have a credit history acceptable to the SBA.

For application information, please call 1-800-659-2955 or email [DisasterCustomerService@sba.gov](mailto:DisasterCustomerService@sba.gov).



## Application Process:

The Small Business Development Center at the Toledo Regional Chamber of Commerce can assist business owners with the application process. The Disaster Declaration has been approved.

## Update as of March 19<sup>th</sup>, 2020: Ohio Receives Disaster Declaration

Today, the State of Ohio qualified for the U.S. Small Business Administration's (SBA) Economic Injury Disaster Loan Program. This program provides low-interest loans up to \$2 million in order to help businesses overcome the temporary loss of revenue during the Coronavirus/Covid-19 pandemic. Non-profit organizations in Ohio will also be eligible for low-interest loans through the SBA's Economic Injury Disaster Loan program.



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

Many other states have already been accepted into the program, you can view the complete listing of accepted states at the SBA website. At this time, all business owners who want to apply for these loans should begin pulling together information as outlined below.

<https://disasterloan.sba.gov/ela/Information/EIDLLoans>



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If applying for Coronavirus (COVID-19) disaster declarations, please only select Economic Injury when inquiring about your business losses.

To expedite the process for your online application, The Small Business Development Center (SBDC) recommends you download all the forms and prefill them out so you will be ready to complete the online applications properly and effectively.

## Links for Business Types:

For sole proprietor:

[https://disasterloan.sba.gov/ela/Documents/Disaster%20Home%20Loan%20Application%20\(SBA%20Form%205c\).aspx](https://disasterloan.sba.gov/ela/Documents/Disaster%20Home%20Loan%20Application%20(SBA%20Form%205c).aspx)

For LLC, corporation, nonprofit and limited partnership:

<https://www.sba.gov/document/sba-form-5-disaster-business-loan-application>.

LLC filings must provide an operating agreement which identifies the managing partner. If this is a single-member LLC, the owner is automatically the managing partner.

Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates. <https://www.irs.gov/pub/irs-pdf/f4506t.pdf>. This allows the SBA to obtain tax records from the IRS.

- Complete copies of the most recent federal income tax return.
- Schedule of Liabilities (SBA Form 2202).  
<https://www.sba.gov/sites/default/files/2019-09/2202%20Schedule%20of%20Liabilities.pdf>. This must include all short-term and long-term liabilities.
- Personal Financial Statement (SBA Form 413).  
<https://www.sba.gov/sites/default/files/2019-09/Form%20413.pdf>. This form must be provided by all partners.

Other Information may also be requested: Complete copy, including all schedules of the most recent federal income tax return for principals, general partners or managing member, and affiliates (see filing requirements for more information).

You must submit the completed loan application and a signed and dated [IRS Form 4506-T](#) giving permission for the IRS to provide the SBA your tax return information.

- If the most recent federal income tax return has not been filed, a year-end profit and loss statement and balance sheet for that tax year.
- A current year-to-date profit and loss statement.
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. This is especially important for Economic Injury Disaster Loans.

[https://www.sba.gov/sites/default/files/serv\\_da\\_all\\_loanapp\\_5\\_0.pdf](https://www.sba.gov/sites/default/files/serv_da_all_loanapp_5_0.pdf)



Recheck the filing requirements to ensure that all the needed information is submitted. The biggest reason for delays in processing is due to missing information. Make sure to complete all filing requirements before submitting the application and forms. If more funds are needed, applicants can submit supporting documents and a request an increase. If less funds are needed, applicants can request a reduction in the loan amount. If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration.



## Other options to consider:

Ask for deferred payments from banks and creditors: Businesses should ask for a payment deferral (interest only or otherwise) before applying for additional credit (if possible). Banks have the ability to defer SBA guaranteed loans under their unilateral authority. The decision to defer is ultimately up to the bank. Any business, especially those with notes, should have a conversation with their banker. The structure of the deferment (interest only or full deferment) is up to the bank. The payment history/status of commercial notes are not normally reported to the credit reporting agencies and most don't unless there's a default.

All business owners need to remember the basic premise of business: CASH IS KING. Cash will be needed to allow the business to rebound when conditions stabilize.



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