

The United States Small Business Administration has designated the entire State of Ohio as part of the Economic Injury Disaster caused by COVID19. As such, small businesses located within the state are eligible for DBA Disaster loans of up to 2 million dollars. The SBA administers the loans directly.

ECDI *strongly* encourages all the small businesses within its network to apply for the Economic Injury Disaster Loan (EIDL) program as soon as possible.

To apply, visit the SBA Disaster Loan website: <https://disasterloan.sba.gov/ela/>

Loan Information:

- Up-to \$2 million of working capital to cover losses sustained because of the COVID19 impacts.
- 3.75% Interest Rate
- Up-to 30-year term length
- 11-Month Deferment at Loan Closing (First payment is due one year from disbursement)
- Loans up to \$25,000 do not require collateral.
- Loans \$25,001 and above require collateral – “All Available Collateral” regardless of lien position or equity

The SBA is hosting webinars twice a day to answer questions surrounding this program. To schedule a session, visit: <https://www.eventbrite.com/e/sba-economic-injury-disaster-loan-training-tickets-100582051624>

Be Patient – The system is heavily burdened with requests, and document uploads can take up to 2+ hours.

Be Complete – Ensure that you have **EVERY** document and piece of information required before submitting the final application. Failure to ensure your application is complete will result in significant delays in receiving your loan, if approved.

Be Prompt – File online as soon as possible. (You can also file via mailing hard copies of the application to the SBA, but this will result in additional time required to review your loan.)

Though the SBA has enacted measures to increase efficiency, each application is still reviewed on its own merits. Ensuring your application is complete and at the front of the line will be the only way you can influence the timeline. The SBA has advised it will take approximately 21 days to render a decision on the application. If approved, it will be sent to the SBA Legal Team to create loan documents. Documents will be mailed to borrowers to be executed. Upon returning the documents to the SBA, funds will be dispersed between 3-5 days. All collateral liens are required to be filed by the borrower.

Helpful Hints:

- Ensure you select EIDL (economic injury disaster loan) – not “equipment” or any other type of losses.
- A general “Rule of Thumb” is to apply for a loan of 6 months of operational costs.
- Sole Proprietors should use Form 5C to simplify the filing process.
- LLCs should use Form 5
- Download a paper application to use as a guide to collecting the required forms and documentation.
- Enter the desired loan amount into the “Notes” section of the application.