

Economic Injury Disaster Loans Administered Through the SBA

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The Small Business Administration (SBA) has implemented an Economic Injury Disaster Loan program.

The program provides low or no interest loans up to \$2MM for working capital needs or normal business operating expenses through the recovery period. The business needs to be in a designated disaster area like Pennsylvania. It applies to all entity types including sole proprietorships.

Use this link to the SBA for information on COVID-19 related resources including applications that can be made via the website or through the mail.

An entity other than sole proprietorship needs to complete a Disaster Business Loan Application (SBA Form 5). Again, it can be completed through the website using a different form than for sole proprietorships.

Additional requirements are:

- Tax information authorization (SBA Form 4506T) for each principal owning 20% or more of the applicant, and each owner of 50% or more of any affiliate business.
- Form 5 schedules completed.
- Federal tax returns (if the tax return for the last completed year has not been filed, a year end balance sheet and Profit/Loss report will be needed.
- A Personal Financial Statement (PFS) (SBA Form 413 can be used) for each principal owning 20% or more of the applicant.
- Schedule of Liabilities listing all fixed debts (SBA Form 2202 can be used).

For additional information contact Steve Bovan.