



COVID-19 UPDATE | MARCH 18, 2020

SBA TO PROVIDE LOANS FOR SMALL BUSINESSES IMPACTED BY COVID-19

On March 18th, the US Small Business Administration (SBA) announced that it has made funds available to help small businesses and private non-profit organizations impacted by the coronavirus outbreak (COVID-19).

Eligible businesses may apply for an Economic Injury Disaster Loan (EIDL), a low-interest, long-term working capital loan, intended to provide the operating funds necessary to overcome the financial impact of COVID-19.

Fast Facts:

- Eligible businesses and non-profit organizations can apply for loans up to \$2 million
- Loan amounts will be based on actual economic injury and the company's financial needs
- Interest rates will be 3.75% for small businesses and 2.75% for non-profits
- Loans not to exceed 30 years
- Repayment terms will be determined on a case by case basis
- Collateral will be required for loans greater than \$25,000
- Currently, small businesses in 18 states are eligible to apply (CA, CO, DE, DC, FL, GA, IN, ME, MA, MO, NV, NH, NJ, NM, NC, RI, UT and VT)
- Application deadline is December 18, 2020

Loan Considerations

- Applicants must have experienced a substantial economic injury due to COVID-19, meaning that your business is unable to meet its financial obligations and pay its necessary operating expenses for the period beginning January 31, 2020.
- Loans will be granted only when the SBA determines that an applicant is unable to obtain credit elsewhere.
- An applicant's insurance coverage will also be considered, but a pending insurance claim will not necessarily make an applicant ineligible for a loan.

Eligible small businesses and non-profit organizations are encouraged to apply online at the SBA's secure website. Applicants will also need to provide:

- A Tax Information Authorization, completed and signed by each applicant, as well as each owner with a 20% or more interest, each general partner or managing member, and any owner with a 50% or more ownership in an affiliate business (including but not limited to business parents, subsidiaries, or other businesses with common ownership or management).
- Copies of the last three years of Federal income tax returns, including all schedules.
- Personal financial statement for each owner with 20% or more interest, each general partner or managing member, or sole proprietor
- Schedule of liabilities listing all fixed debts

The SBA may request additional information, including copies of owners', partners' or managers' income tax returns, and copies of the business' financial statements, income statements, and monthly sales figures.

If your loan application is approved, an initial disbursement will be made within 5 days of signed loan closing documents.

If you have any questions about obtaining an EIDL or the tax paperwork required for the application process, please don't hesitate to contact our office at 781.279.7788. You can also visit the Small Business Administration online disaster loan assistance site at <https://disasterloan.sba.gov/ela> for more information and to apply.

Thank you for your continued trust in CRR. We are in this together.