

# Wichita State University Kansas Small Business Development Center

## SBA Economic Injury Disaster Loan – What You Need to Know

### Bottom Line

If coronavirus negatively impacted your business, the WSU Kansas SBDC will help you apply for an SBA Economic Injury Disaster Loan. This sheet will provide basic information, but please call us for remote advising assistance to make the process easier.

We will also help you adjust your cash flow, deal with human resource issues, and strengthen your online marketing as you reposition your business. Call 316-978-3193 to set up a remote advising session.

### What is an Economic Injury Disaster Loan?

The Economic Injury Disaster Loan (EDIL) can provide up to \$2 million of financial assistance to small businesses or private, non-profit organizations that suffer substantial economic injury as a result of the declared disaster. Actual loan amounts are based on amount of economic injury. If you have suffered substantial economic injury and are one of the following types of businesses, you may be eligible for an SBA Economic Injury Disaster Loan:

- Small Business
- Small agricultural cooperative
- Most private nonprofit organizations

### When can I apply?

The State of Kansas submitted the necessary paperwork to the U.S. Small Business Association to receive Economic Injury Disaster Loans. State officials expect to have a decision from the SBA by Monday, March 23.

### What can I do now so that I am ready to apply when applications open?

**Call the WSU Kansas SBDC. An advisor will walk you through the loan application process remotely.**

These are the Disaster Business Loan Application Filing Requirements:

**FOR ALL APPLICATIONS THE FOLLOWING ITEMS MUST BE SUBMITTED.**

- Loan application (SBA Form 5), completed and signed (this is electronic/online in the portal)
- 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. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management
- Complete copies, including all schedules, of the most recently filed Federal income tax returns for the applicant business; an explanation if not available
- 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)
- 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

**All of these forms are available in the Disaster Loan Application: <https://disasterloan.sba.gov/ela/Information/PaperForms>**

### What are the terms of the loans and who is eligible?

The interest rate on EIDLs will not exceed 4 percent per year. The term of these loans will not exceed 30 years. The repayment term will be determined by your ability to repay the loan.

EIDL assistance is available only to small businesses when SBA determines they are unable to obtain credit elsewhere. The maximum combined loan amount is \$2 million.

### **How much can I borrow? How can I use the money?**

Substantial economic injury means the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.

The SBA can provide up to \$2 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. Your loan amount will be based on your actual economic injury and your company's financial needs, regardless of whether the business suffered any property damage.

### **How do I apply for the loan?**

You can apply online for an SBA disaster assistance loan. (<https://disasterloan.sba.gov/ela/Account/Login>)

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

For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

