

SBA Disaster Assistance in Response to the Coronavirus

Related Professionals

David S. Robinson
919.653.7809
DRobinson@nexsenpruet.com

Practices

Employment & Labor Law
Economic Development

03.19.2020

The US Small Business Administration has added COVID-19 to the list of disasters triggering federal disaster loan assistance. As of March 18, 2020, neither North Carolina nor South Carolina is an eligible area for such assistance. However, it is expected both states will be added shortly. Applicants can apply online here. A pdf of the 3 step loan process is available here.

SBA program details are as follows: The SBA is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state's or territory's Governor, SBA will issue under its own authority as an Economic Injury Disaster Loan declaration, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act recently signed by the President..

- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).
- SBA's Office of Disaster Assistance will coordinate with the state's or territory's Governor to submit the request for Economic Injury Disaster Loan assistance.
- Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities as well as updated on the SBA website: [SBA.gov/disaster](https://www.sba.gov/disaster).
- SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are

experiencing.

- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis.
- SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.
- For additional information, contact the SBA disaster assistance customer service center: call 1-800-659-2955 or email to disastercustomerservice@sba.gov.

Our Insights are published as a service to clients and friends. They are intended to be informational and do not constitute legal advice regarding any specific situation.