



U.S. Small Business
Administration

SBA Updates Criteria on States for Requesting Disaster Assistance Loans for Small Businesses Impacted by Coronavirus (COVID-19)

SBA Press Office

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WASHINGTON – As part of the Trump Administration’s aggressive, whole-of-government efforts to combat the Coronavirus outbreak (COVID-19) and minimize economic disruption to the nation’s 30 million small businesses, U.S. Small Business Administration [Administrator Jovita Carranza \[lnks.gd\]](#) issued revised criteria for states or territories seeking an economic injury declaration related to Coronavirus (COVID-19). The relaxed criteria will have two immediate impacts:

- **Faster, Easier Qualification Process for States Seeking SBA Disaster Assistance.** Historically, the SBA has required that any state or territory impacted by disaster provide documentation certifying that at least five small businesses have suffered substantial economic injury as a result of a disaster, with at least one business located in each declared county/parish. **Under the just-released, revised criteria, states or territories are only required to certify that at least five small businesses within the state/territory have suffered substantial economic injury, regardless of where those businesses are located.**
- **Expanded, Statewide Access to SBA Disaster Assistance Loans for Small Businesses.** SBA disaster assistance loans are typically only available to small businesses within counties identified as disaster areas

by a Governor. **Under the revised criteria issued on March 17, disaster assistance loans will be available statewide following an economic injury declaration. This will apply to current and future disaster assistance declarations related to Coronavirus.**

“We’re very encouraged that banks and financial institutions are responding to the President’s efforts to mobilize an unprecedented public-private response to the Coronavirus (COVID-19) outbreak. As a result, most small businesses that need credit during these uncertain times will be able to obtain it. However, our goal is to ensure that credit is available to any and all small businesses that need credit but are unable to access it on reasonable terms through traditional lending channels,” said Administrator Carranza. “To that end, the SBA is relaxing the criteria through which states or territories may formally request an economic injury declaration, effective immediately. Furthermore, once an economic injury declaration has been made in a state or territory, the new rules allow the affected small businesses within the state or territory to apply for a disaster assistance loan.”

SBA’s Economic Injury Disaster Loans offer up to \$2 million in assistance for each affected small business. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

Process for Accessing SBA’s Coronavirus (COVID-19) Disaster Relief Lending

- The U.S. Small Business Administration 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 provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available **statewide** to small businesses and private, non-profit organizations 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, the information on the application process for Economic Injury Disaster Loan assistance will be made available to affected small businesses within the state.
- 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, based upon each borrower's ability to repay.
- 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, please visit the SBA disaster assistance website at [SBA.gov/Disaster](https://www.sba.gov/Disaster) [lnks.gd].

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About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov [lnks.gd].

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