

# Frequently Asked Questions

(Click each question to see or hide the answer. Scroll down to see more.)

## SBA Economic Injury Disaster Loan (EIDL) and Advance on EIDL

Where do I start to apply for SBA EIDL and Advance on EIDL?



New streamlined process: [SBA EIDL Application - Start Here](#)

Use the new streamlined process to apply for EIDL (up to \$2 mil) and the Advance on EIDL(up to \$10,000).

This Advance may be available even if your EIDL application was declined or is still pending, and will be forgiven.

What is Advance on EIDL?



On March 27, 2020, President Trump signed into law the CARES Act, which provided additional assistance for small business owners and non-profits, including the opportunity to get up to a \$10,000 Advance on an Economic Injury Disaster Loan (EIDL).

This Advance may be available even if your EIDL application was declined or is still pending, and will be

If I already applied for EIDL, do I need to re-apply?



If you already applied for EIDL, you will receive a Robocall call and an email, or a letter to inform you that your application is received, including the denials. In order to qualify for the Advance, you need to submit a new application through the new streamlined process, even if you previously submitted an EIDL application.

Applying for the Advance will not impact the status or slow your existing application.

Is there a cost to apply?



No. There is no cost to apply for EIDL.

I have existing SBA loans, can I still apply?



Yes. You can still apply even if you have existing SBA loans.

What's the interest rate?



3.75% for small businesses.

2.75% for private non-profit organizations

Is collateral required?



EIDL over \$25,000 requires collateral. SBA will not decline a loan for lack of collateral, but requires borrowers to pledge of what is available.

## Paycheck Protection Program (PPP)

Where can I find more information about PPP?



You can find more information about PPP by going to SBA's website: [click here to access information on Paycheck Protection Program \(PPP\)](#)

Here is the link to the application form: [click here to access the form](#)

[Paycheck Protection Program \(PPP\) Information Sheet:](#)

When can I apply?



Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

Where can I apply?



You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating.

Other regulated lenders will be available to make these loans once they are approved and enrolled in the program.

You should consult with your local lender as to whether it is participating. Visit [www.sba.gov](http://www.sba.gov) for a list of SBA

Who can apply?



**All businesses**, including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors, with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries. (click [HERE](#) for additional detail).

For this program, the SBA's affiliation standards are waived for small businesses:

1. in the hotel and food services industries (click [HERE](#) for NAICS code 72 to confirm); or
2. that are franchises in the SBA's Franchise Directory (click [HERE](#) to check); or

What do I need to apply? ☐

You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. Click [HERE](#) for the application.

You will need to provide your lender with payroll documentation.

Do I need to first look for other funds before applying to this program? ☐

No. SBA is waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources (i.e., SBA is waiving the Credit Elsewhere requirement).

How long will this program last? ☐

Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan.

How many loans can I take out under this program? ☐

Only one.

What can I use this fund for? ☐

This fund can be used for the following:

### **Payroll Costs**

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit; State and local taxes assessed on compensation;
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.

### **Business Operating Expenses**

- Interest on mortgage obligations, incurred before February 15, 2020;

How large can my loan be? ☐

Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional

25% of that amount.

That amount is subject to a \$10 million cap.

If you are a seasonal or new business, you will use different applicable time periods for your calculation.

Payroll costs will be capped at \$100,000 annualized for each employee.

How much of my loan will be forgiven? ☐

You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan.

Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

You will also owe money if you do not maintain your staff and payroll.

**Number of Staff:** Your loan forgiveness will be reduced if you decrease your full-time employee headcount.

**Level of Payroll:** Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.

How can I request loan forgiveness? ☐

You can submit a request to the lender that is servicing the loan.

The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations.

You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness

What is the interest rate and other features? ☐

- **What is my interest rate?**

*1.00% fixed rate.*

- **When do I need to start paying interest on my loan?**

*All payments are deferred for 6 months; however, interest will continue to accrue over this period.*

- **When is my loan due?**

*2 years.*

- **What if I pay my loan earlier than 2 years?**

*Yes. There are no prepayment penalties or fees.*

- **Do I need to pledge any collateral for these loans?**

*No. No collateral is required.*

- **Do I need to personally guarantee this loan?**

*No. There is no personal guarantee requirement.*

***\*\*\*However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue***

What do I need to certify?



As part of your application, you need to certify in good faith that:

1. Current economic uncertainty makes the loan necessary to support your ongoing operations.
2. The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
3. You have not and will not receive another loan under this program

You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.

Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.

You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted.

You affirm that the tax documents are identical to those you submitted to the IRS.

## **SBA Offices and Resource Partners**

Where can I find more information and help?



### **FEDERAL**

#### **Small Business Administration (SBA)**

E-mail update subscription: [www.SBA.gov/Updates](http://www.SBA.gov/Updates)

Twitter: [@SBAgov](https://twitter.com/SBAgov)

Website: [disasterloan.sba.gov/ela](http://disasterloan.sba.gov/ela)

#### **SBA Disaster Customer Service Center**

Phone: 1-800-659-2955

E-mail: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

TTY: 1-800-877-8339

### **New York State**

Twitter: [@SBA\\_NewYork](https://twitter.com/SBA_NewYork)

# Beware of Scams and Fraud

How can I protect myself from scam and fraud?



- The SBA does not initiate contact on either 7(a) or Disaster loans. If you are proactively contacted by someone claiming to be from the SBA, suspect fraud.
- The SBA does not provide grants to small businesses. The SBA provides guarantees to lenders to encourage them to make loans to small businesses. If you are contacted via social media about an SBA grant program for small businesses, suspect fraud.
- If you are contacted by someone promising to get approval of an SBA loan but requires any payment up front or offers a high interest bridge loan in the interim, suspect fraud.
- Look out for phishing attacks/scams utilizing the SBA logo. These may be attempts to obtain your personally identifiable information (PII) to obtain personal banking access, or to install ransomware/malware on your computer.
- If you are in the process of applying for an SBA loan and receive email correspondence asking for PII, ensure that the referenced application number is consistent with the actual application number.
- The SBA limits the fees a broker can charge a borrower to 3% for loans \$50,000 or less and 2% for loans \$50,000 to \$1,000,000 with an additional .25% on amounts over \$1,000,000. Any attempt to charge more than these fees is inappropriate.
- Any email communication from the SBA will come from accounts ending with gov.
- The presence of an SBA logo on a webpage does not guaranty the information is accurate or endorsed by the SBA. Please cross-reference any information you receive with information available at [sba.gov](https://sba.gov).

For more information on SBA fraud, visit [sba.gov](https://sba.gov) or call 1-800-650-3075.

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