



U.S. Small Business
Administration

Economic Injury Disaster Loans - Keeping the “Business in Business”

SBA's Disaster Declaration Makes Loans Available

MISSISSIPPI Declaration #16242

The U.S. Small Business Administration's (SBA) low-interest Economic Injury Disaster Loans (EIDLs) are now available to Mississippi small businesses, small agricultural cooperatives, small aquaculture businesses and private nonprofit organizations affected by the blue-green algae on the Gulf Coast of Mississippi from June 22 through Oct. 5, 2019.

SBA Administrator Jovita Carranza made the loans available in response to a letter from Gov. Phil Bryant on Jan. 7, 2020, requesting a disaster declaration by the SBA. The declaration covers Hancock, Harrison and Jackson counties and the adjacent counties of George, Pearl River and Stone in **Mississippi**; Mobile in **Alabama**; and St. Tammany Parish in **Louisiana**.



Administrator Jovita Carranza

SBA's Economic Injury Disaster Loan Basics

What businesses are eligible to apply?

SBA's Economic Injury Disaster Loans (or working capital loans) are available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations

This includes:

- Businesses directly affected by the disaster
- Businesses that offer services directly related to the businesses targeted in the declaration
- Other businesses indirectly related the industry that are likely to be harmed by losses in their community

SBA's Economic Injury Disaster Loan Basics

What is the criteria for a loan approval?

Credit History-Applicants must have a credit history acceptable to SBA.

Repayment –SBA must determine that the applicant business has the ability to repay the SBA loan.

Eligibility- The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons.



SBA's Economic Injury Disaster Loan Terms

How much can I borrow?

Eligible entities may qualify for loans up to **\$2 million**.

The interest rates for this disaster are **4 percent for small businesses** and **2.75 percent for nonprofit** organizations with terms up to **30 years**.

Eligibility for these working capital loans are based on the size (must be a small business) and type of business and its financial resources.

How can I use the loan funds?

These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other **bills that could have been paid had the disaster not occurred**. The loans are not intended to replace lost sales or profits.

Economic Injury Disaster Loan Terms



What are the collateral requirements?

- Economic Injury Disaster Loans over \$25,000 require collateral.
- SBA takes real estate as collateral when it is available.
- SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available.

SBA's Economic Injury Disaster Loan Basics

What kinds of small businesses can apply?

Examples of eligible industries include but are not limited to the following: bait and tackle shops, charter boats, commercial fisherman, crabbers, fishing guides, hotels, and marinas, owners of rental property, restaurants, retailers, souvenir shops, travel agencies, and wholesalers.



What other criteria is involved?

The applicant business must have a physical presence in the declared disaster area. An applicant's economic presence alone in a declared area does not meet this requirement. The physical presence must be tangible and significant. Merely having a P.O. Box in the disaster area would not qualify as a physical presence.

SBA's Working Capital Loans are Different from Other SBA Loans

SBA's Economic Injury Disaster Loan (EIDLs) funds come directly from the U.S. Treasury.

Applicants do not go through a bank to apply. Instead apply directly to SBA's Disaster Assistance Program at: DisasterLoan.sba.gov

There is no cost to apply.

There is no obligation to take the loan if offered.

The maximum unsecured loan amount is \$25,000.

Applicants can have an existing SBA Disaster Loan and still qualify for an EIDL for this disaster, but the loans cannot be consolidated.

Basic Filing Requirements

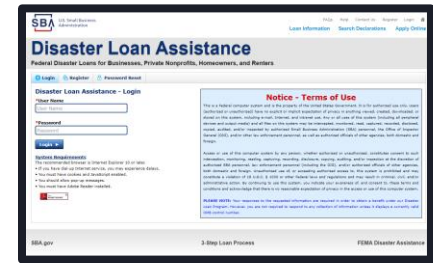
- Completed SBA loan application (SBA Form 5).
- Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates.
- Complete copies of the most recent Federal Income Tax Return.
- Schedule of Liabilities (SBA Form 2202).
- Personal Financial Statement (SBA Form 413).

Other Information may also be requested.

Although a paper application and forms are acceptable, filing electronically is easier, faster and more accurate.

The image shows the front page of the SBA Form 5, 'U.S. Small Business Administration Disaster Business Loan Application'. The form is designed for internal use only and includes fields for physical and economic injury declarations, organizational type, legal name, trade name, mailing address, damaged property, and insurance coverage. It also includes a section for contact information and a section for the amount of estimated loss.

Additional Filing Requirements



Other information that may be requested:

- Complete copy, including all schedules, of the most recent Federal income tax return for principals, general partners or managing member, and affiliates (see filing requirements for more information).
- 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 .
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. (This is especially important for Economic Injury Disaster Loans.)

Ineligible Entities

What are some of the businesses that are ineligible for an Economic Injury Disaster Loan?

- Agricultural Enterprises -If the primary activity of the business (including its affiliates) is as defined in Section 18(b)(1) of the Small Business Act, neither the business nor its affiliates are eligible for EIDL assistance.
- Religious Organizations
- Charitable Organizations
- Gambling Concerns (Ex: Concerns that derive more than 1/3 of their annual gross revenue from legal gambling activities)
- Casinos & Racetracks (Ex: Businesses whose purpose for being is gambling (e.g., casinos, racetracks, poker parlors, etc.) are not eligible for EIDL assistance regardless of 1/3 criteria above.



How to Apply

SBA's Customer Service Representatives are ready to serve.

- Applicants may go to any of the temporary Disaster Loan Outreach Centers and get help from an SBA Customer Service Representative.
- Applicants may apply online using the Electronic Loan Application (ELA) via SBA's secure website at <https://disasterloan.sba.gov/ela>.
- Paper loan applications can be downloaded from www.sba.gov/disaster. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.
- Disaster loan information and application forms may also be obtained by calling the SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard-of-hearing) or by sending an email to disastercustomerservice@sba.gov.

Assistance From SBA Partners

Free assistance with reconstructing financial records, preparing financial statements and submitting the loan application is available from any of SBA's partners: Mississippi Small Business Development Centers (SBDCs), SCORE, Women's Business Centers (WBC), and Veteran's Business Outreach Centers and local Chambers of Commerce.

For the nearest office, visit: <https://www.sba.gov/local-assistance>



Mississippi Small Business
Development Center

Transforming Mississippi One Small Business at a Time



Submit Your Application As Soon As Possible

Although the deadline to return economic injury applications is **October 16, 2020**, submit the completed application as soon as possible.

The biggest reason for delays in processing is due to missing information. Make sure to complete all filing requirements before submitting the application and forms.

If more funds are needed, applicants can submit supporting documents and a request for an increase. If less funds are needed, applicants can request a reduction in the loan amount.

If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration.

SBA Temporary Business Recovery Centers

Impacted businesses are encouraged to visit one of the temporary locations before they close and get answers to program questions, assistance in applying for an SBA disaster loan and help with the reconsideration process.

The Centers are located in the following communities and are open as indicated:

<p>Hours: Monday-Friday from 9 a.m. to 6 p.m. Saturdays, 10 a.m. to 2 p.m.</p> <p>Closed: Sundays</p>	
<p><u>Hancock County</u> Hancock Resource Center 454 HWY 90 Waveland, MS 39576 Opens: Wed., Jan. 29 from 11 a.m. to 6 p.m. Last Day: Wed., Feb. 12, from 9 a.m. to 4 p.m.</p>	<p><u>Hancock County</u> Storm Prep Building Conference Room 18355 Highway 603 Kiln, MS 39556 Last Day: Wed., Feb. 5, from 9 a.m. to 4 p.m.</p>
<p><u>Harrison County</u> County Office Complex, Sand Beach Office 842 Commerce St. Gulfport, MS 39507 Last Day: Wed., Feb. 5, from 9 a.m. to 4 p.m.</p>	<p><u>Jackson County</u> 2915 Canty Street, Main Entrance Lobby Pascagoula, MS 39567 Last Day: Wed., Feb. 5, from 9 a.m. to 4 p.m.</p>

SBA's Economic Injury Disaster Loans Help Us Spread the News



South Mississippi businesses affected by algae can now apply for disaster assistance

The deadline to return economic injury applications is Oct. 16, 2020.

A small patch of toxic blue-green algae can be seen floating on a tide line on the Mississippi coast. *Mark Wright/Special To Clarion Ledger*

Any Questions?



More information concerning
SBA and its programs
visit our website at:
www.sba.gov/disaster