

Financial Assistance for Businesses

SBA Economic Injury Disaster Loan

The U.S. Chamber and Small Business Administration (SBA) recognize that the nation is beyond the containment phase and into the recovery phase of COVID-19. A [letter was sent to government leaders](#) on March 16th asking for:

- Legislation canceling payment of all payroll taxes paid by employers for the months of March, April, and May
- Legislation expanding and streamlining loan programs for small businesses
- Legislation enabling the creation of credit facilities to provide loans and loan guarantees to employers with more than 500 employees

The signing of [H.R.6074 - Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020](#) on March 6th has provided the Office of Disaster Assistance at the SBA, with additional disaster loan funds and expanded definition of a disaster to include coronavirus. The SBA now has authority to declare a virus or pandemic as a disaster, whereas disasters have largely been localized by territories impacted by physical disasters such as hurricanes or earthquakes.

The process for making a declaration is dependent on the request from the governor. The SBA has begun declaring disasters in states that have submitted requests and has been in contact with all governors across the United States. The steps to the process are:

- The governor requests disaster declaration by certifying that at least 5 small businesses have sustained economic impact through submission of a worksheet on each business.
- The SBA approves the request, typically within 24 hours. You can search for your state here at the [Presidential and SBA Agency Declared Disasters](#) web page.
- Once a declaration is made for designated areas within a state, businesses can [apply for Economic Injury Disaster Loan assistance](#). The [process, terms, and interest rate](#) is described on the SBA website as:
 - The loans offer up to \$2 million in assistance to small businesses to help overcome the temporary loss of revenue.
 - The funds 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%.
 - The loans offer long-term repayments up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
 - There is an automatic 1 year deferment on repayments; interest will begin accruing when the disbursement is made.

The SBA encourages businesses to [apply online](#), which is faster and enables auto-generated notices as the application proceeds through the approval process. The SBA recommends that:

- A business register as a user and receive a login even if their state hasn't yet been declared a disaster. Once it is declared, they will be notified that they can apply for Economic Injury Disaster Loan assistance.
- Applicants prepare their application by [accessing the list of required forms](#).

More information and a description of the process are in the documents below.

- [SBA Disaster Assistance in Response to the Coronavirus](#)

A one-page flyer outlining the assistance the Small Business Association (SBA) is providing to designated states and territories in the form of low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

- [SBA To Provide Economic Injury Disaster Loans For Coronavirus Related Economic Disruptions](#)

The slides from a webinar by the Small Business Administration (SBA) with step-by-step instruction and requirement to apply for the loan (Mar 14, 2020)

Advance Funds from Treasury Department

The United States Department of Treasury will provide advance funds to businesses so they can meet paid sick-leave requirements. Employers will be able to use cash deposited with the Internal Revenue Service to pay sick-leave wages. Learn more [here](#).

Tax Deadline Extension

The Department of Treasury and IRS have moved Tax Day from April 15, 2020 to July 15, 2020 for small and medium size businesses and individuals who need it.

While individuals and businesses have an additional 90 days to file and make payments without interest or penalties, those who may receive tax refunds should file now to get money. Details can be found on the IRS [website](#).