

FREQUENT ASKED QUESTIONS

Q: What types of businesses are eligible to apply?

A: Small Businesses, small Agricultural Cooperatives, small aquaculture businesses and most private non-profit organizations who have a physical presence in the declared disaster area that have been directly affected by the disaster.

Q: What is the definition of a small business under this program?

A: Businesses with 100 or less employees or manufacturers with 500 or less. The SBA size standards show by NAICS code for each type of business:

<https://www.sba.gov/size-standards>

Q: How much can I borrow?

A: Businesses may qualify for loans up to \$2 million. Eligibility is based on the size and type of business.

Q: What are the loan interest rates?

A: The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.

Q: How can I use loan funds?

A: Loan funds can be used as working capital to pay fixed debts, payroll, accounts payable and other bills that could have been paid had the disaster not occurred

Q: What is fixed debt?

A: Fixed debt is a permanent debt, or a debt continuing for an extended period.

Q: How long do I have to submit my loan documents?

A: Submit your application as soon as possible. Applications can be submitted at <https://disasterloan.sba.gov/ela/Information/ApplyOnline>

Q: How can I get assistance with my SBA application?

A: NYS Small Business Development Centers (SBDC) and NYS Entrepreneurship Assistance Centers (EAC) and can assist small businesses with the application. For more information:

SBDC: <http://nysbdc.org/appointment.html>

EAC – please click on link on website for contact information

Q: As a small business, what documents would I need to submit to prove my business suffered economic injury as a result of the Coronavirus?

A: Substantial economic injury occurs when a business concern is unable to meet its obligations as they mature or to pay its ordinary and necessary operating expenses. Establishing economic injury is a comparison between the financial information from the period in the prior year to the injury period of the current year (this period must be associated to the disaster and cannot be attributed to a downturn in local economy or other unrelated issues. The loans are not intended to replace lost sales or profits, rather they are intended to pay fixed debts, payroll, accounts payable, and other expenses that could have been paid had the disaster not occurred.

Q: How can a business owner document physical presence in the declared disaster area?

A: An applicant's must show that they have tangible presence such as lease, property address, property tax receipt. Merely having a P.O. Box in the disaster area would not qualify as a physical presence.

Q: What are the repayment terms of the loan?

A: 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.

Q: Will someone notify an application if information is missing from an application?

A: A SBA loan officer works with you to provide all the necessary information needed to reach a loan determination. The goal is to arrive at a decision on your application within 2-3 weeks.

Q: How will the business owner know if the loan request has been approved?

A: A loan officer will contact you to discuss the loan recommendation and your next steps. You will also be advised in writing of all loan decisions.

Q: How quickly can a loan application move to closing and loan funds be disbursed?

A: Timing depends on the completeness of the application. A SBA loan officer will work with you to provide all the necessary information needed to reach a loan determination. The goal is to arrive at a decision on your application within 2-3 weeks. If approved, the SBA will prepare and send your Loan Closing Documents to you for your signature. Once they receive your signed Loan Closing Documents, an initial disbursement will be made to you within 5 days for Economic injury-working capital of \$25,000). A SBA case manager will be assigned to work with you to help you meet all loan conditions. They will also schedule subsequent disbursements until you receive the full loan amount.

Q: What if my circumstances change and I need more money than I originally applied for?

A: Your SBA loan may be adjusted after closing due to your changing circumstances, such as increasing the loan for unexpected costs or reducing the loan due to additional insurance proceeds. Please contact your SBA case manager for more details.

Q: What if I have an existing SBA Disaster Loan?

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

Q: What happens if a loan request is denied?

A: 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.