



## SBA MAKES LOW-INTEREST WORKING CAPITAL LOANS AVAILABLE TO ELIGIBLE BUSINESSES IMPACTED BY COVID-19

To provide support to small businesses and private, non-profit organizations suffering economic injury due to the ongoing COVID-19 pandemic, the U.S. Small Business Administration is making low-interest federal disaster loans available to eligible borrowers in designated states and territories, including New York, New Jersey and Connecticut.

### SBA Economic Injury Disaster Loan Terms

- The SBA’s Economic Injury Disaster Loans offer up to \$2,000,000 in assistance to help eligible borrowers overcome temporary revenue losses.
- Interest rates under the loans are 3.25% for small businesses and 2.75% for non-profit organizations.
- Borrowers may use the loan proceeds to pay fixed debts, payroll, and accounts payable, and to fund other working capital needs not being met due to the impact of COVID-19.
- The loans offer long loan terms, of up to a maximum of 30 years, in order to keep repayment obligations affordable. Loan terms are determined by the SBA on a case-by-case basis, based on each borrower’s ability to repay.
- For expedited loan application processing, the business must have been operating for at least one year prior to the disaster.
- Applicants must provide their gross revenues for the past twelve months, cost of goods sold for the past twelve months, and (for rental properties only) lost rents due to the crisis.
- Eligibility considerations will include compensation available from other sources to offset the economic injury. Other sources include grants or other reimbursement (including loans) from government agencies or private organizations, and (2) claims for civil liability against other individuals, organizations or governmental entities.
- Loans are available to eligible businesses located in Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Georgia, Illinois, Indiana, Louisiana, Maine, Maryland, Massachusetts, Michigan, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Utah, Virginia, Washington, and West Virginia (as well as those located in certain designated counties in Alabama, Arizona, Arkansas, Idaho, Iowa, Kentucky, Mississippi, Missouri, North Dakota, Oregon, Texas, Vermont, Wisconsin, and Wyoming contiguous to one or more of those states) where that state’s Governor has submitted a request to the SBA for EIDL assistance.

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**As this situation unfolds, recommendations and requirements are being updated and changed at a rapid pace. If you need any assistance in understanding or addressing these concerns, please contact the [Garfunkel Wild attorney](#) with whom you regularly work.**

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