

The current public health situation is affecting everyone, and our office realizes that many of Warren County's businesses are working on contingency plans. Our office in conjunction with the Warren County SBDC would like to provide some information and be a resource for you as you navigate this unprecedented economic climate.

Small Business Assistance: Economic Injury Disaster Loan

The U.S. Small Business Administration designated the State of Ohio eligible for Economic Injury Disaster Loans due to the COVID-19 outbreak. Any small business or nonprofit affected directly or indirectly can apply for up to \$2million in low interest loans through the SBA. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. Loan rates are expected to be 3.75% for businesses and 2.75% for non-profits with long-term repayments in order to keep payments affordable. Terms will be determined on a case by case basis.

We encourage you to connect with our local Warren County SBDC advisor, Joe Schiesler, so he can assist in facilitating this process. His contact information is listed here:

**Joe Schiesler, CBA
Advisor
Warren County SBDC
3525 N. St. Rt. 48
Lebanon Ohio 45036
C - 513-582-5305**

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<https://www.warrencountysbdc.org/>

Business owners can begin collecting the paperwork needed for the application process. Here is an outline of the procedure to claim an SBA Economic Injury Disaster Loan:

1. If you already have an existing SBA or 504 loan, reach out to your bank or HCDC and request a deferment.
2. Once federal designation is approved for Ohio, fill out an application. They can be found online here: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources> . In order to expedite the application process, these are the necessary items to begin compiling in PDF format for inclusion:
 - a. A projection on expenses.
 - b. Personal finance statement.
 - c. 3 years of tax returns on the business. If your 2019 taxes are not prepared yet, include a current in-house statement for 2019 and the last 3 years.
 - d. The last 12 months of sales, broken out month-to-month.
 - e. A debt service schedule or any existing liabilities.
3. Once the application has been filled out and submitted, it goes to the SBA for consideration and underwriting.
4. Once approved, it gets kicked over to SBA's legal for review and approval
5. SBA's legal will prepare loan documentation
6. Closing followed by a final submission to SBA's legal for final review
7. The SBA will direct the funds be disbursed through the treasury department

What else you need to know about Economic Injury Disaster Loans:

Our friends at the Miami Valley SBDC have included two informational videos; a general overview of the loan program and an application overview on their website:

<https://sbdctec.com/resources-for-businesses-during-corona-virus-crisis/>

- These loans are only intended as working capital loans utilized to assist with impact caused by the coronavirus emergency efforts. The EIDL's are not for other purposes such as expansion, new equipment, property purchases, etc. that do not have anything to do with the national emergency we are facing.
- Interest rates will likely be 3.75% for businesses and 2.75% for non-profits.
- Loan applications will be evaluated by SBA loan officers. Criteria includes:
 - Credit history acceptable to the SBA
 - Repayment abilities
- Eligibility - businesses in a declared state/county, suffered working capital losses due to the declared disaster (not a general downturn in business due to the economy or other reasons).
- Paper application can be submitted but this will slow the process considerably