

SBA AND COVID-19 (CORONAVIRUS): SMALL BUSINESS GUIDANCE AND LOAN RESOURCES

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In response to the devastation caused by COVID-19 (coronavirus) and the negative economic impact on businesses, the [U.S. Small Business Administration \(“SBA”\)](#) is offering low-interest federal disaster loans to qualifying small businesses in impacted areas. On March 19, Ohio was declared an impacted disaster area.

What does the declaration mean for Ohio small businesses? The SBA is working in numerous ways to provide a coordinated response, but the primary benefit to Ohio small businesses is the opportunity to borrow up to \$2 million to alleviate the economic impact caused by the Coronavirus disaster. Detailed information regarding the assistance and application materials are available through the SBA, but highlights include the following:

- Because Ohio has been declared a designated disaster area, the SBA will offer loans of up to \$2 million to Ohio small businesses and private, non-profit organizations
- Applicants must be able to document the downturn in cash flow caused by the disaster, but can also submit applications based on projected downturn
- Loans are issued directly by the SBA rather than by individual banks
- Loan proceeds can be used to pay business working capital needs, such as payroll, accounts payable and even payments toward other fixed debt obligations
- Terms will be determined case-by-case, but these SBA loans will offer long repayment terms, up to a 30 year maximum

Tips in completing the Application:

1. Be thorough and complete. The biggest delay in funding will be incomplete applications.
2. You will need:
 - [SBA Form 5](#)
 - [IRS Form 4506-T](#)

- Tax Returns
- **[Personal Financial Statement- SBA Form 413](#)**
- Schedule of Liabilities - **[SBA Form 2202](#)**

*Use this **[Estimated Disaster Economic Injury Worksheet](#)** as a resource, but please note, applications must be submitted online.

If you have questions, please contact your Graydon attorney and they can put you in touch with the right person. You can also visit our **[Graydon COVID-19 Business Resource Page](#)**.