



SBA Disaster Loans

- Requirements include having acceptable credit history, demonstrate ability to repay loan, and collateral for all loans over \$25 (real estate is acceptable, SBA will not decline a loan for lack of collateral but will require the borrower to pledge collateral that is available).
- Available to applicants that have suffered some substantial economic injury and require a loan in order to continue payment of ordinary and necessary operating expense. These loans are aimed at providing capital for business that need help to ride out a disaster until normal operations can resume.
- Maximum interest rate is 3.75% with maximum loan life being 30 years. For illustrative purposes monthly payments for different loan amounts over a 15 year life are as follows:
 1. \$500,000 - \$3,574
 2. \$150,000 - \$1,072
 3. \$100,000 - \$715
 4. \$50,000 - \$357
- Disaster loans cannot be used to refinance long term debts.
- The SBA will require certain insurance products to be held over the life of the loan.
- Applications can be submitted online at <https://disasterloan.sba.gov/ela>
- Release of funds is anticipated to be from 60 to 90 days from the initial application
- Pennsylvania Covid-19 Working Capital Access Program
- All businesses and non-profits having 100 or fewer full-time employees are eligible.
- Loan funds can be used only for working/operating capital. They can't be used for distributions/dividends or to finance a project outside of PA.
- The borrower and its principals must be current on their federal, state, and local taxes.
- Maximum loan amount is \$100,000. Loan terms are 3 years at 0% interest. No payments due in the first year.
- There are no job retention or creation requirements.
- The loan will be secured by a blank lien on all business assets. The loan will be guaranteed by an individual with a 20% or greater ownership interest.
- Credit report, debt schedule, cash flow analysis, personal financial statements will be required to be submitted with a supplemental application.
- All applications must be filed through a Certified Economic Development Organization (organized by county) <https://dced.pa.gov/CEDO/>
- Philadelphia Covid-19 Small Business Relief Fund (Grants and Zero-Interest Loans)
- The stated goals of the program will likely impact those businesses selected for the grants and loans. We would expect recipients to be those that demonstrate that the funds will be used to keep Philadelphia residents on their payroll and/or those that provide goods or services that are essential to Philadelphians.
- \$5,000 grants are available to businesses with revenues under \$500K
- \$25,000 grants are available to businesses with revenues between \$500K and \$3Million

- Zero-interest loans of \$25K to \$100K are available to businesses with revenues between \$3Million and \$5Million.
- Applicants will need signed tax returns and a description of the disaster's impact on their business and recovery plan at a minimum. Some type of financial statement for 2019, verification of cash flow needs, and proof of insurance will be required when applying for a larger grant or loan.
- More information and online application filing can be found here https://phila-uyims.formstack.com/forms/philadelphia_covid_19_small_business_relief_fund