

# COVID-19 SMALL BUSINESS EMERGENCY LOANS

Changes and updates have been occurring on a daily basis as we try to cope through this COVID-19 epidemic. Our small business owners are struggling in Nebraska and nationwide. In addressing questions and concerns, there is some confusion between the Payroll Protection Program and Economic Injury Disaster Loan Program. Here are some questions you may be asking, facts, and what you need to know when you consider applying for these Small Business Administration (SBA) Disaster Assistance Loans.

## ECONOMIC INJURY DISASTER LOAN PROGRAM

The Economic Injury Disaster Loans (or Working Capital Loans) provide qualifying small businesses and nonprofits with working capital up to \$2 million with low-interest rates and terms extending up to 30 years. Small business owners throughout the U.S. are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. This will provide economic relief to businesses with temporary loss of revenue.

**This loan advance will NOT have to be repaid.**



**Am I eligible?** You are eligible if you are a small business, small agricultural cooperative, small aquaculture business, and private nonprofit organization directly affected by COVID-19. This loan does have loan criterias for approval and it includes: credit history, repayment, and eligibility. (Nebraska is eligible.)



**What can I use the loan for?** Funds are to be used for working capital, or to pay fixed debts, payroll, accounts payable, and other bills that could have been paid prior to the COVID-19 pandemic. These loans are not intended to replace lost sales, profits, or for expansion.



**Where can I apply?** Applicants may apply online directly through SBA. To apply for a COVID-19 Economic Injury Disaster Loan and loan advance, visit [covid19relief.sba.gov](https://covid19relief.sba.gov).

## PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program is designed to keep small business workers employed and to provide small businesses with capital through the nation's banks and other lending institutions, with support from the SBA.

**SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.**

This program is set to start granting loans effective April 3, 2020. Small businesses are highly encouraged to apply as soon as possible. Applications will be accepted through June 30, 2020, or until funds made available for this purpose are exhausted. Loans will be allocated on a first come, first serve basis.



**Am I eligible?** You are eligible if you are a business with fewer than 500 employees. This includes 501(c)(3) non-profit organizations, sole proprietors, independent contractors, self-employed persons, tribal, and 501(c)(19) veterans organizations that otherwise meet the SBA's size standards.



**What can I use this loan for?** Proceeds for this loan should be used for payroll costs, including benefits, interest on mortgage obligations, rent under lease agreement, and utilities all incurred or starting effective Feb. 15, 2020.



**Where can I apply?** You can apply through any existing SBA lender or any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Visit [sba.gov/paycheckprotection/find](https://sba.gov/paycheckprotection/find) for a list of SBA lenders in your area. For additional information on how to get started, take a look at the Paycheck Protection Program Borrower Application Form.<sup>1</sup>

## Sources

<sup>1</sup> "Paycheck Protection Program Borrower Application Form." Small Business Administration, April 2020, [sba.gov/sites/default/files/2020-04/PPP%20Borrower%20Application%20Form.pdf](https://sba.gov/sites/default/files/2020-04/PPP%20Borrower%20Application%20Form.pdf). Accessed April 2020.



## ADDITIONAL INFORMATION

**On April 4, 2020**, SBA clarified eligibility of faith-based organizations to participate in the Paycheck Protection and Economic Injury Disaster Loan programs. For more information, please visit the Small Business Administration website.<sup>2</sup>

**When will the funds be available?** While the Economic Injury Disaster Loan advance funds will be available within days of a successful application submitted through SBA, the Paycheck Protection Program may be submitted by your local SBA (7) lender, and time frames may vary.

If you need assistance or have additional questions, please contact your Center for Rural Affairs' Rural Enterprise Assistance Project loan representative<sup>3</sup> or our Women's Business Center at 402.870.1521 or [wbc@cfra.org](mailto:wbc@cfra.org).

For additional resources about protecting your business, employees, and customers, please visit [SBA.gov/Coronavirus](https://www.sba.gov/coronavirus).

For information on all federal programs offered, visit [usa.gov/coronavirus](https://www.usa.gov/coronavirus).

Para programas federales en Español, visite [gobierno.usa.gov/coronavirus](https://www.gobierno.usa.gov/coronavirus).



## Sources

<sup>2</sup> "FAQ Regarding Participation of Faith-Based Organizations in PPP and EIDL." Small Business Administration, April 3, 2020, [sba.gov/document/support-faq-regarding-participation-faith-based-organizations-ppp-eidl](https://www.sba.gov/document/support-faq-regarding-participation-faith-based-organizations-ppp-eidl). Accessed April 2020.

<sup>3</sup> "REAP staff." Center for Rural Affairs, [cfra.org/reap/staff](https://www.cfra.org/reap/staff). Accessed April 2020.

