

Question

Report

Report 3/26/20 21:33

Generated:

Topic Webinar ID

SBA Economic Injury Disaster Loan Program (EIDL) - Loan Application Process

Actual Start Time

3/26/20 8:19

Question

52

Question Details

#	Question	Asker Name	Answer(s)
1	Are these loans going to be forgiven if you keep your employees on payroll?	Dana Milby	We will be answering questions posted at the end...
2	We are a start up restaurant business, with three restaurants that we opened from Jan 2018 through Nov 2019. By plan we are not a viable company, due to corp overhead, start up expenses, etc. We remain open today and we are doing community support menus at discounted prices to help those folks that have been laid off by other companies and so that our employees are not displaced. Given the requirement of being a viable business how can you help small start up businesses like ourselves.	bob peterson	Apply anyway. If your documentation shows that your revenues have been able to cover your debt service with margin up until February/March, the SBA Econ Injury Disaster Loan is meant to cover your monthly/ongoing expenses over this six month period.
3	My business is only 4 years old. It was thriving until March of this year. I have the max amount of debt that can be sustained - and that's if we are up and running soon. We were closed by civil authority on March 19. We are a nightclub, no food options. I have a large SBA 7a loan. Will there be options to restructure that loan? I cannot take on more debt service, even if the payments are deferred for a year. My community was already supporting us at their best.	Anonymous Attendee	The disaster loans (are loans at a 3.75% interest rate with a 30-year term) and are meant to provide the working capital to service the company's existing debt and other expenses. SBA 7(a) loans typically cannot be refinanced with a new SBA loan. It might be possible if the loan is with a lender that will not modify terms and the loan does not meet the need of the borrower. It is rare however. A loan can be transferred from one lender to another if the originating lender agrees. They will usually charge a fee to do this. Refinance requires that the loan be on unreasonable terms, such as a balloon note or a high interest rate, above what SBA allows, or a term that doesn't match the collateral for the loan. An improvement in payment of 10% is also required.
4	What is SBA doing to lobby for insurance companies be forced to pay loss-of-income claims?	Anonymous Attendee	The SBA's Office of Advocacy handles issues when the provisions of a federal law are detrimental to small businesses. Insurance policies are contracts between two private parties, so an attorney or lobbying the state insurance commission may be appropriate.
5	Can you pay the loan back early without penalty? Can you reduce repayment terms? Will all interest be added for 30 year term if you pay off early?	Anonymous Attendee	The SBA Disaster loans have no costs or fees (other than the 3.75% interest rate on the outstanding balance), so you can pay it off early without penalty. You are not obligated to take some or all of the approved disaster loan amount.
6	Can less than 20% owners submit if it improves application?	Anonymous Attendee	Yes.
7	Will this whole presentation to include the speaker be posted later that we can share?	Craig Bender	Yes.
8	Can this powerpoint be downloaded or printed	Helen Hawkins	Yes.
9	for those that could not attend this webinar, how can they view this presentation. I see it is being recorded.	Salih Doughramaji	It was recorded and will be made available.
10	I submitted Form 5 for my company through the portal on Tuesday before the site went down. How do I know if that form will be processed or not?	Donovan Smith	If you only submitted Form 5, you should check the portal (when it's back online) to finish your application. Since we don't know when the portal will be back online, you may want to complete the PDF version of the various forms - Form 5 and the EIDL Supporting Information (P-019) and submit them via email or regular mail to start the process. Other forms would be requested later.
11	Good morning	Greg Ikner	
12	I was able to get our application put in through the online portal this past weekend when it was open. Since I cannot check through the portal now is there a way I can get a copy of the application that I sent, and/or what and who do I contact to check status?	Chris Fox	If you received a confirmation that your application was complete and received successfully, you are in good shape. Unfortunately, as long as the site is down, it can't be accessed or for you to see the status of things. You should call the Disaster Customer Service # 800-659-2955 with your confirmation to ask about the status. FYI, the application approval process normally takes 2-3 weeks - but due to the heavy response it could take longer.
13	Is a digital signature on the forms acceptable? And if so, what exactly is acceptable?	SUSAN RELIGA	When emailing the forms in, yes. If you mail them in, you should physically sign the documents.
14	How does this loan program differ from the Federal Stimulus fund that will be making funding available to small businesses? My understanding is these funds will be zero interest. Can a business owner apply for both?	Greg Ikner	Once a new law is finalized and signed by the President into law. The SBA would respond/comply with new provisions.
15	Will we get a copy of powerpoint?	Donna roxanne Helphingstine	Yes. This webinar will be available as well as the PowerPoint
16	Are management consulting companies eligible for these loans? We have very few assets, but with over 30 employees, we have a lot of operating expenses.	Anonymous Attendee	Yes, please apply. There's no cost or obligations.
17	Does getting one of these loans in any way jeopardize a businesses access to loans from the stimulus fund loans currently winding through Congress?	Anonymous Attendee	No.
18	On personal balance sheet how to we account for assets/liabilities that are shared as a married couple?	Donna roxanne Helphingstine	You should complete one Personal Financial Statement form as a married couple and state your combined assets/liabilities.
19	We have CBD stores. Are we able to apply for this?	Marc Kaufman	It's a legal retail business, so yes.
20	Can we use the loan as necessary and if so are we charged interest only on the used amount?	Donna roxanne Helphingstine	The interest accrues on the total amount disbursed, when it is disbursed to you. We've heard that it will be a lump sum amount. So, the interest would accrue on the outstanding balance (the interest would diminish as you pay it off).
21	What about franchises	David Dukart	It would need to be a recognized franchise by the SBA look-up here: https://www.sba.gov/document/support-sba-franchise-directory
22	How are staffing firms viewed when their temps are furloughed but will be returning to work when it is ok to do so? Can we include their payroll cost and the profit the staffing agency makes? Knowing that this profit is used to provide working capital and to compensate the business owner.	Greg Ikner	The disaster loans are meant to provide the working capital to service the company's existing debts and other expenses - not profit margins. The loans are designed to keep a business solvent (cover expenses that the business could not pay otherwise).
23	Would a charity like a community foundation or a crisis resource center be able to apply?	Veronica Murray	SBA disaster loans are available to privately owned nonprofits (charities and religious organizations are not eligible).
24	Will this Webinar be re-Broadcast with Q & A?	Alonzo Harrison	Yes

25	I can't take on any more debt. I've never taken a draw off of my business. I need to restructure my 7a. We are closed by county mandate. Are there any other options besides another loan?	Anonymous Attendee	The disaster loans (are loans at a 3.75% interest rate with a 30-year term) and are meant to provide the working capital to service the company's existing debt and other expenses. SBA 7(a) loans typically cannot be refinanced with a new SBA loan. It might be possible if the loan is with a lender that will not modify terms and the loan does not meet the need of the borrower. It is rare however. A loan can be transferred from one lender to another if the originating lender agrees. They will usually charge a fee to do this. Refinance requires that the loan be on unreasonable terms, such as a balloon note or a high interest rate, above what SBA allows, or a term that doesn't match the collateral for the loan. An improvement in payment of 10% is also required.
26	Just to clarify, I completed ONLY the Form 5 through the portal, but was unable to complete the rest before the portal went down. I have received no confirmation email. Will a loan officer contact me based only on the completed Form 5?	Donovan Smith	I would say no. Unfortunately. Please complete all the necessary forms and submit them via email or regular mail. People can obtain the SBA Disaster Application forms at this website: https://disasterloan.sba.gov/ela/Information/PaperForms
27	What about married couples who do not co-own the business but who share personal bank accounts and real estate holdings?	Anonymous Attendee	You would still need to complete a Personal Financial Statement and declare your personal (married) assets and liabilities.
28	what about if a single person owns more than one business? Can they apply for each business?	Craig Bender	If the businesses are related (shared management, systems, etc.) and filed as a single entity for your annual taxes, than you'd apply with one application. If not, each would need its own application.
29	Do audited financial statements stand in for personal financial statement for non-profit?	Lowell Peachey	You can submit those documents, but you would still need to complete the personal financial statement form.
30	i need money for day to day operating expenses but more importantly stock which I've not had to worry about before. I supply essential businesses and there are shortages of parts and alot of parts come from china so have long lead times. How do justify that?	Betsey Villarreal	These disaster loans are meant to help businesses pay their ongoing expenses that they can't cover due to lost revenues or other issue caused by the COVID-19 crisis. You can apply anyway. There's no cost involved except your time and effort.
31	Are businesses that are deemed necessary, that are allowed to stay open, but have slowed down tremendously, qualified? We are almost ready to lay off, we are an overhead door company, very small 8 people? We also just opened another corporation, heating and air started 2 months ago, but experienced few calls, about ready to shut down cause no revenue does this qualify?	Tim Davidson	Yes. Your situation is exactly why the SBA EIDL program exists - to help businesses like yours get through this COVID crisis.
32	But I need the inventory to stay open!	Betsey Villarreal	Apply anyway.
33	How long should we expect the loan process to take from application to approval to payment?	John Kretzer	The application approval process normally takes 2-3 weeks - but due to the heavy response it could take longer.
34	Our local lenders are suggesting "bridge loans" to the clients and then the Disaster Injury Loan could then pay off those bridge loans. Acceptable?	Randy Collett	We are working on clarifying this issue, because it would depend on the bank being a SBA designated lender offering a SBA Express Bridge Loan. At this time, we don't know if the new CARES Act may have provisions to address this. So, short answer is we are not sure.
35	If a loan will cover the cost of a restaurant buying food which is stock/supply why would parts be any different?	Betsey Villarreal	Apply for a SBA EIDL.
36	Business made expansion last fall or started. We have no history of sales a year ago How do we report this?	David Dukart	Report what you can as far as initial sales are concerned. We don't know the details yet, but the new CARES Act may have provisions for local lenders to consider a 7(a) loan for this client.
37	We are a flower shop with a large loss in inventory. We will have to restock at substantial cost when this over. Are such losses eligible for consideration?	Tisha Tucker	The disaster loans are meant to provide the working capital to service the company's existing debt and other expenses during the crisis.
38	What is the processing time?	Anonymous Attendee	The application approval process normally takes 2-3 weeks - but due to the heavy response it could take longer.
39	So, I should apply even though I know that I cannot repay the loan? I'm just not understanding this advice.	Anonymous Attendee	It is a federal loan, so it would be up to the individual to make this decision.
40	will ESOP's be eligible as well?	Alonzo Harrison	Not sure what you mean. An employee owned small business would. This is a working capital loan to help businesses pay their ongoing expenses during the COVID crisis.
41	How can i get a recording of this webinar	Marc Kaufman	It will be provided via email link, I believe.