

# Small Business Administration Quick Digest

*Are you curious about how to access the U.S. Small Business Administration's offerings for small businesses? Here's a guide put together by the Nashville Entrepreneur Center to help you navigate the process as a business owner.*

## What is the Small Business Administration?

The U.S. Small Business Administration is a federal government agency that provides support to entrepreneurs and small businesses. They advocate for small business, shape federal business policy, and have multiple loan and grant programs, and work with banks in local municipalities to issue loans backed by the US government, which de-risks the loan for the lending institution/bank. In addition to the umbrella SBA, each state has its own Small Business Administration Office with a statewide team dedicated to its business support. The Small Business Administration also funds SCORE (Service Corps of Retired Executives), regional small business development centers (TSBDC), women's business centers (Pathway WBC locally) and veteran business outreach centers (Pathway VBOC locally). You can watch a 2 minute intro to the SBA [here](#) if you'd like more information.

## What, specifically, is the SBA doing to address business needs arising from the 3/3 tornado in Middle Tennessee and the COVID-19 pandemic? <Source [here](#)>

- The SBA is providing disaster loans for businesses, nonprofits and homeowners impacted by the March 3rd tornado and economic injury loans for businesses impacted by the coronavirus pandemic.
- 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.
- The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay. Full details on the SBA's disaster loan program can be found [here](#).
- Additionally, previous recipients of SBA disaster loans will receive deferral for their loans through Dec 31, 2020. *Businesses do not have to apply for deferment* - it is already guaranteed

## How do I apply for a disaster loan? <Source [here](#)>

1. **Application:** Apply online at [disaster.sba.gov/ela](https://disaster.sba.gov/ela). Due to COVID-19, the federal disaster centers that normally operate in the wake of a natural disaster have been shuttered to prevent further spread of the virus. However, you can contact [tennessee@sba.gov](mailto:tennessee@sba.gov) to get assistance from our local office. You can also contact the national line at (800) 659-2955. Note that SBA is experiencing a high volume of inquiries right now, so you may have a bit of a wait.
2. **Review:** After an initial credit check, an SBA loss verifier will work to ascertain the extent of your loss and an SBA loan officer will review your documents.
3. **Decision:** If approved, SBA contacts applicants to discuss the loan. A case manager will work with the borrower to finalize the loan and schedule disbursements. From application to decision generally takes between 2 and 4 weeks.

## What documents do I need?

1. **Business Loan Application** ([SBA Form 5](#)) completed and signed by business applicant

2. [IRS Form 8821/4506-T](#) completed and signed by applicant business, each principal owning 20 percent or more of the applicant business, each general partner or managing member, and, for any owner who has a 50 percent or more ownership in an affiliate business. (Affiliates include, but are not limited to, business parents, subsidiaries, and/or businesses with common ownership or management.)
3. **Complete copies of the most recent Federal income tax returns** for the applicant business, including all schedules; or an explanation if not available.
4. **Personal Financial Statement** ([SBA Form 413](#) may be used) completed, signed and dated by the applicant (if a sole proprietorship), each principal owning 20 percent or more of the applicant business and each general partner or managing member.
5. **Schedule of liabilities** listing all fixed debts ([SBA Form 2202](#) may be used).
6. *Additional Information That May Be Necessary To Process Your Application:*
  - a. Complete copies, including all schedules, of the most recent Federal income tax returns for each principal owning 20 percent or more of the applicant business, each general partner or managing member, and each affiliate.
  - b. If the most recent federal income tax return has not been filed, a year-end profit and loss statement and balance sheet for that tax year.
  - c. A current year-to-date profit and loss statement.
  - d. Additional Filing Requirements (SBA Form 1368) providing monthly sales figures.

### **Are there any key deadlines I should be aware of?**

- For a loan that addresses physical damages, your application must be submitted within 60 days of the emergency declaration (March 3rd).
- For economic injury loans, your application must be submitted within 9 months of the declaration (March 3rd for the tornado; March 22nd for the coronavirus)

### **How can I get more assistance and support accessing the recovery loans?**

- **Webinars:** Starting the week of March 23, State Director LaTanya Channel will be holding webinars twice a day to walk people through the SBA's emergency/crisis business supports. To find information, go to:  
<https://www.sba.gov/events/find/?dateRange=all&distance=200&pageNumber=1>
  - Please enter "disaster" in the search block. Leave "near" and "distance" blocks empty.
  - Morning webinars address tornado recovery, and evening webinars address COVID-19
- **Application Assistance:** For assistance completing a disaster loan application, please contact the Small Business Development Centers in Tennessee for an appointment at:  
<https://www.tsbdc.org/tsbdc-locations/> or 877-898-3900.
  - Public Information Officers are here on the ground who can directly help you
- **Questions:**
  - For **questions** on the SBA Disaster Recovery Loans, please contact:  
[disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov) or 1-800-659-2955 (TTY: 1-800-877-8339).
  - For more info, check out this [state guidance on the loan program here](#)
  - You can contact the TN state SBA office at (615) 736-5881

### **What other resources are available to me?**

- Baker Donelson's guide to access FEMA's Public Assistance to Expedite Payment program [here](#)

### **Upcoming events to get your questions answered:**

- March 26, 5:00pm-6:30pm Tornado Recovery Webinar hosted by the Chamber of Commerce, featuring SBA, FEMA and other organizations
  - Join here:  
<https://nashvillechamber.webex.com/nashvillechamber/j.php?MTID=me258c5b45bf88313a0c42123d7fc0283>
  - Meeting number (access code): 261 279 406
  - Meeting password: A9v3VVQ3UDr
- **Ongoing daily webinars with SBA:**
  - **9am CT/10 ET, Monday-Friday: Tornado Recovery daily morning call** for businesses of any size, nonprofits, homeowners, renters in Middle TN who may also be impacted by COVID-19 - physical damage, economic injury
  - **3pm CT/4pm ET, Monday-Friday: COVID 19 daily afternoon call** solely for businesses impacted by COVID-19/CORONAVIRUS - economic injury
  - For Resource Partners (ECs, ESOs, Chambers)
    - Every Tuesday and Thursday 12:00-12:30pm/1:00-1:30pm central