

SBA Disaster Assistance in Response to the COVID-19 Coronavirus

The U.S. Small Business Administration (SBA) is offering designated areas, including Nebraska, Texas and some counties of Iowa¹, low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Governors Ricketts, Reynolds and Abbott issued the disaster declarations in March 2020, triggering the release of Economic Injury Disaster Loan funding.²

New SBA Loans for Small Business and Private Non-Profits

SBA is making loans available to small businesses and private, non-profit organizations in designated areas to help alleviate economic injury caused by COVID-19. Information and the application for Economic Injury Disaster Loan assistance will be made available on the following website:

<https://covid19relief.sba.gov/#/> .

Terms Provided by the SBA:

While sometimes special lending programs may seem cumbersome and time-consuming, such programs may be worthwhile for small business owners and private, non-profits to consider. The application and funding may take more time than a traditional loan, but the terms were designed to provide long-term aid to businesses during unusual circumstances.

SBA Economic Injury Disaster Loans	
Funding Maximum	Up to \$2 Million
Interest Rates	Small Businesses: 3.75% Non-Profits: 2.75%
Terms	Up to 30 Years

- SBA's Economic Injury Disaster Loans offer up to **\$2 million in assistance per small business** and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that cannot 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 is **2.75% for non-profits**.
- SBA offers loans with long-term repayments at **up to a 30-year amortization** in order to keep payments affordable.

While Security National Bank can help advise you on the application process for this disaster funding program, we recommend reviewing information on [SBA.gov/disaster](https://www.sba.gov/disaster) or contacting the SBA disaster assistance customer service center. The entity seeking funds through this program would apply directly with the SBA.

- **CALL 1-800-659-2955 (TTY: 1-800-877-8339 for accessibility)**
- **E-MAIL disastercustomerservice@sba.gov**
- **VISIT [SBA.gov/disaster](https://www.sba.gov/disaster)**

Contact a Security National Bank team member
(402) 344-7300 or (844) SNB-1964



Member FDIC

¹ The counties of Fremont, Harrison, Mills, Monona, Pottawattamie and Woodbury in Iowa. All counties within the states of Nebraska and Texas.

² Coronavirus Preparedness and Response Supplemental Appropriations Act, an Economic Injury Disaster Loan declaration, signed March 6, 2020, by President Trump.

Q&A Regarding SBA Disaster Relief Funding

Security National Bank has compiled information from the U.S. Small Business Administration (SBA) regarding low-interest federal disaster loans¹ the SBA is offering designated areas, including Nebraska, Texas and some counties of Iowa.² Here's what you need to know:

How do I apply for an SBA Disaster Loan?

Apply for an SBA Disaster loan through the SBA website (<https://covid19relief.sba.gov/#/>). Click the apply online button to start the application process.

What documents are needed to apply?

The documents needed are listed below. These are in the application on the SBA Disaster website and you will upload to the SBA Disaster relief website when making the application.

- Completed Application of SBA Form 5
- Tax Information Authorization (IRS Form 4506T)
This form needs to be filled out for the applicant (business), principal owners/ guarantors and any affiliates
- Complete copies of the most recent Federal income tax returns for the applicant business (currently would include 2017, 2018 and 2019 if filed)
- Personal Financial Statement (SBA Form 413)
- Schedule of Liabilities on SBA Form 2202

Will I be working with the bank on this loan?

While the loan will not be funded through the bank, your banker can be a key resource in this process. If any questions arise through the application process, please reach out to your banker for help. If we do not know the answer, we will work to get the answer for you.

What are the terms of the SBA Disaster loan?

Disaster loans are available up to \$2 million for up to six (6) months of operating expenses with a fixed interest rate of **3.75% for businesses** and **2.75% for private, non-profit organizations**, with the amortization of up to 30 years. The first year (12 months) will have no principal payments and no interest accruing during this time.

What can the funds be used for?

The SBA has given you the ability to ask for six (6) months' worth of operating expense. This includes, but is not limited to, payroll, loan payments, rent, insurance, etc. While the way these loans will be disbursed is still under discussion, these funds would allow you to continue making any necessary obligations to any creditors.

How do I know if I qualify?

Two quick barometers to check if you qualify:

- ❶ Do you have less than 500 employees?
- ❷ Does this site (<https://www.sba.gov/size-standards/>) say you're eligible?

- Yes? You qualify!
- No? Contact your banker and they can get an answer or more information for you.

What can I do about my existing loans?

Reach out to your banker and see what can be done regarding payment deferments or other avenues to assist in the interim. Please know that the disaster loan can be used to make loan payments on your current obligations.

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