



## **Small Business Association Economic Injury Declaration COVID-19 – TDEM Information Summary**

The Small Business Association (SBA) has designated COVID-19 as a qualifying event for the provision of Economic Injury Disaster Loans for businesses and private non-profits in affected communities.

If a business has suffered substantial economic injury and are one of the following types of businesses located in a [declared disaster area](#), that business may be eligible for an SBA Economic Injury Disaster Loan (EIDL):

- Small Business
- Small agricultural cooperative
- Most private nonprofit organizations

### Process Overview

1. Impacted businesses need to fill out the ESTIMATED DISASTER ECONOMIC INJURY WORKSHEET FOR BUSINESSES.
2. Texas will need to submit 05 Economic Injury Worksheets certifying a small businesses in a disaster area has suffered substantial economic injury as a result of COVID-19 and are in need of financial assistance.
3. TDEM District Coordinators will collect the worksheets and forward them to TDEM Recovery for processing.
4. SBA will review the worksheets and verify the requests.
5. Once 05 worksheets are validated by SBA, the Governor can request an EIDL declaration.
6. Each county requesting assistance will need a least one qualifying worksheet to be added to the EIDL declaration.
7. After a declaration is approved, add-on counties can be requested directly by TDEM.

### Loan Terms Approval

Substantial economic injury means the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.

The SBA can provide up to \$2 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. Loan amounts will be based on your actual economic injury and a company's financial needs, regardless of whether the business suffered any property damage.

EIDL assistance is available only to small businesses when SBA determines they are unable to obtain credit elsewhere.

The interest rate on EIDLs will not exceed 4 percent per year. The term of these loans will not exceed 30 years. The repayment term will be determined by the businesses ability to repay the loan.