

Facts about SBA Disaster Loans:

Lenders can make an interim loan to small businesses to help them until an SBA disaster loan can be processed and if an SBA disaster loan is approved proceeds from the disaster loan can be used to pay off the lender's interim loan. Existing loans not incurred to address needs as a result of the current disaster are not eligible for refinancing with SBA disaster loan proceeds.

SBA Express lenders can use their delegated authority to originate "Express Bridge Loans." <https://www.sba.gov/document/information-notice-5000-180005-express-bridge-loan-pilot-program-guide>

If a lender grants a payment deferral for an impacted business that will not negatively impact their application (as long as the deferral became necessary as a result of the disaster). If the loan was on deferral prior to the disaster, then the business will need to demonstrate sufficient cash flow to service existing and new debt.

Lenders may unilaterally grant a 6 month payment deferral (limited to 3 months without investor approval if the loan was sold into the secondary market).

If there is delinquent federal debt or a prior loss to the government, the Disaster Office still encourages the business to apply as circumstances may still allow for a disaster loan to be made.

There is no minimum amount for a disaster loan. The maximum disaster loan is \$2 million. If the business currently has a \$5 million SBA loan outstanding, they are still eligible for a disaster loan of up to \$2 million.

There is a credit elsewhere test (although different than standard 7a and 504 loans). The determination will be made based on whether the business has the resources or access to other conventional loans or capital to operate in the disaster situation without an SBA disaster loan.

Eligible applicants include: small businesses, small agricultural cooperatives, small aquaculture enterprises, and private, non-profit organizations. With limited exceptions, agricultural enterprises are not eligible for any SBA disaster loans.

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%.

Maximum maturity is 30 years and will be determined on a case by case basis based on borrower's ability to repay.

On the website: <https://disasterloan.sba.gov/ela> :

- You can check to see which states have had disaster declarations made (Missouri is not yet listed and I don't have an estimate as to when other than to say SBA will process and post the declaration within 48 hours of receiving from the Governor)
- Apply online for a disaster loan
- Review and complete the forms which will be needed to apply for a disaster loan (under the "loan information" tab)

Once an economic disaster has been declared in Missouri, the SBA will post the declaration as soon as approved then businesses may start submitting SBA disaster loan applications. **Estimated processing time from receipt of application is currently 2-3 weeks.**