

Frequently Asked Questions for the Small Business Administration

Q: I understand that we can apply for a small business loan if we need it to shut down, however how does that help us when we must pay it back? We have no work or income now, but later we have an extra bill?

A: You can apply for a Small Business Disaster Loan (or Economic Injury Disaster Loan) at [SBA/disaster.com](https://www.sba.gov/disaster) or by calling 1-800-659-2955, but you do have to pay it back at a 3.75% fixed rate (or 2.75% fixed rate if you are a non-profit). It is a 30-year loan and payments will be deferred for 11 months. This will give you immediate working cash flow until you can get back on your feet.

Q: What are the qualifications required to get an SBA loan?

A: You must prove "economic injury" and revenue reductions. Your local [SBDC office](#) can help you with this. A "small business" may also include sole proprietors and landlords.

Q: What measures are being taken by the SBA to streamline the process?

A: The SBA has hired 2,000 additional workers to field phone calls and online applications.

Q: If I have a previous disaster loan through the SBA, will my payments be deferred as well?

A: The deferment of all disaster loans from previous any disasters that have been referred by the SBA Administrator until Dec. 31, 2020 and will be automatically done by SBA servicing. There will be no payments due during that deferral period on the disaster loans. Normally, the principal and interest are deferred, but in past "normal" disasters, the interest does still accrue. The interest on deferred disaster loans would likely still accrue, but it is possible any might be changed due to this extraordinary event.