

Tips for Preparing an SBA Business Loan Package.

For those interested in applying for the recently publicized **SBA small business loans based on Economic Injury**, here are some tips to prepare you for that application. It's complicated, so take a breath and take your time.

Eligibility: Your business must be in operation for at least one year. You must be in a declared disaster area and be able to provide an Economic Injury Declaration Number - I haven't found that yet, but the SBA's Customer Service Center can be reached at 800-659-2955 or via email at diastercustomerservice@sba.gov.

Documentation: You won't be able to get a loan unless you complete the application and prove your economic injury. Start by getting the following paperwork together now:

Business Documents

- 2 years of your federal business taxes, with all schedules.
- A profit and loss statement from the close of your last fiscal year (year-end December 2019?).
- A current year-to-date profit and loss statement (2020).
- Documentation of your incorporation, doing/business/as or however your organization was established to document that (i) you have a business entity and (ii) you are, in fact, the owner.

For the SBA (forms available here): <https://disasterloan.sba.gov/ela/Information/PaperForms>

- **SBA Form 5** is the application you'll need to complete.
- **SBA 159D**, Disclosure Form and Compensation Agreement, is a required part of the package.
- Use **SBA Form 1368** to provide your monthly sales figures. You'll also be able to tell a narrative story about how your business dropped off - but documentation is more powerful. For example, document your appointment scheduling year-to-date and this year-to-date vs. last-year-to-date, so that you can show the decline in appointments.
- **EIDL Supporting information** asks for your Gross Revenues, Cost of Goods Sold, Lost Rent, and Compensation from other sources.
- Complete **SBA Form 413D**, which is a personal financial statement.
- **IRS 4506-T** gives your permission for the SBA to access your tax returns.
- Complete **SBA 2202**, the Schedule of Liabilities form to list all of your debts and your current working capital line of credit.

Personal Documents (for each/ all owners of the business)

- 2 years of your personal federal income taxes with all schedules - be sure the copies are signed!
- The SBA application doesn't specifically ask for identification, but it's a good idea to make a copy of your Driver's License or other official ID.
- In a similar vein, the SBA application doesn't ask about citizenship, but during this administrative I've seen that serve a condition of federal funding in other circumstances, so be prepared to document your citizenship.

Other Tips:

- Be sure that all forms requiring signatures are signed.

- Be sure that all forms requiring dates are dated.
- Remember to sign your copies of your tax returns.
- Keep copies of your documentation and all correspondence regarding the loan in your files.
- Even if it's on the news nightly that all businesses are shut down, you'll need to provide proof in your package. If you received written notice to shut down, keep a copy in your documentation. If not, get a dated copy of a news report in your file ordering all non-essential businesses to shut down.
- Finally, I personally would need an accountant to complete some of those SBA forms. Review them, and decide what help you need.

Loan forgiveness - It appears that the plan is to forgive these loans under certain circumstances (make them grants) if certain conditions are met - take note of the issues with student loan forgiveness programs and be sure that you fully understand the terms, your responsibilities, and what documentation you'll need to qualify for forgiveness.

The SBA application and process is here:

<https://disasterloan.sba.gov/ela/Information/Index>

Here's some more terrific advice, from Alaina Walag in Orange County:

<https://www.linkedin.com/posts/activity-6645678842759430148-Zd50>