

## **SBA Economic Injury Disaster Loans (EIDL) Now Available in Colorado**

Colorado small businesses impacted by COVID-19 can seek individual small business loans up to \$2M as part of the Small Business Administration's Economic Injury Disaster Loan program. Small businesses throughout all 64 counties may seek SBA Economic Injury Disaster Loans. Governor Jared Polis announced that Colorado's application for federal disaster area designation has been approved.

"The economic impact of COVID-19 has been felt across our state. We are committed to protecting public health and safety and will continue fighting to ensure the pain that Colorado's small businesses are feeling is limited. This critical designation allows small businesses in all 64 Colorado counties to seek federal recovery loans that can help them through this challenging time. I thank the Colorado federal delegation for their efforts to help unlock this assistance," said Governor Polis.

The SBA Disaster assistance provides low-interest federal loans for working capital to Colorado small businesses that have realized economic injury from COVID-19. Funding was appropriated through the US congressional Coronavirus Preparedness and Response Supplemental Appropriations Act.

"Colorado's Office of Economic Development and International Trade is committed to helping our small businesses access these vital funds," said Executive Director Betsy Markey. "Eligibility information, loan application links and emerging economic recovery resources can all be found at [choosecolorado.com](http://choosecolorado.com)

Small businesses, private non-profit organizations, small agricultural cooperatives and small aquaculture enterprises impacted by COVID-19 can seek federal loans to pay key needs such as fixed debts, payroll, and accounts payable.

SMALL BUSINESS COVID-19 DISASTER RESPONSE HOTLINE  
303-860-5881

VISIT [WWW.COLORADOSBDC.ORG/COVID](http://WWW.COLORADOSBDC.ORG/COVID)

SBA EIDL Loan Details & Tips

ELIGIBLE ENTITIES:

- Applicants must meet the SBA requirements of a small business (500 employees or fewer)

- Businesses directly affected by COVID-19
- Businesses that offer services directly related to the businesses in the declaration
- Other businesses indirectly related the industry that are likely to be harmed by losses in their community (Example: Manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product)

#### INELIGIBLE ENTITIES:

- Agricultural Enterprises: If the primary activity of the business (including its affiliates) is as defined in Section 18(b)(1) of the Small Business Act, neither the business nor its affiliates are eligible for EIDL assistance
- Religious Organizations
- Charitable Organizations
- Gambling Concerns (Ex: Concerns that derive more than 1/3 of their annual gross revenue from legal gambling activities)
- Casinos & Racetracks (Ex: Businesses whose purpose for being is gambling (e.g., casinos, racetracks, poker parlors, etc.) are not eligible for EIDL assistance regardless of 1/3 criteria above)
- Cannabis Industry

#### LOAN APPROVAL CRITERIA:

- Credit History: Applicants must have a credit history acceptable to SBA
- Repayment: SBA must determine that the applicant business has the ability to repay the SBA loan
- Eligibility: The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons

#### HOW MUCH YOU CAN BORROW:

- Eligible entities may qualify for loans up to \$2 million
- The interest rates for this disaster are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms up to 30 years
- Eligibility for these working capital loans are based on the size (must be a small business) and type of business and its financial resources

#### HOW THE FUNDS CAN BE USED:

These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or for expansion. Funds cannot be used to pay down long-term debt.

#### WHAT IS NEEDED TO APPLY:

- [Completed SBA loan application \(SBA Form 5\)](#)
- [Tax Information Authorization \(IRS Form 4506T\)](#)

- Complete copies of the most recent Federal Income Tax Return
- [Schedule of Liabilities](#)
- [Personal Financial Statement](#)
- Income, balance sheet, and cash flow documents
- Other information may also be requested

#### OTHER INFORMATION THAT MAY BE REQUESTED:

- Complete copy, including all schedules, of the most recent Federal income tax return for principals, general partners or managing members, and affiliates (see filing requirements for more information)
- If the most recent Federal income tax return has not been filed, a year-end profit-and-loss statement and balance sheet for that tax year
- A current year-to-date profit-and-loss statement
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures (This is especially important for Economic Injury Disaster Loans)

#### HOW SOON WILL BUSINESSES RECEIVE MONEY?

- Small businesses that submit complete loan packages could receive the money within three (3) weeks
- Incomplete information and verification of collateral will delay the approval process

#### HOW TO APPLY:

- Applicants may apply online using the [Electronic Loan Application \(ELA\) via SBA's secure website at https://disasterloan.sba.gov/ela](https://disasterloan.sba.gov/ela)
  - Paper loan applications can be downloaded from [www.sba.gov/disaster](http://www.sba.gov/disaster)
- Completed applications should be mailed to:
- U.S. Small Business Administration  
Processing and Disbursement Center  
14925 Kingsport Road  
Fort Worth, TX 76155
  - Disaster loan information and application forms may also be obtained by calling the SBA's Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard-of-hearing) or by sending an email to [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

#### RECOMMENDATIONS:

- Include the specific disaster in your application – specifically reference "COVID-19" or Coronavirus
- Apply online vs by mail
- Write your password down; neither the system nor any personnel are able to retrieve it
- Save your work at every prompt

- Do not rush through the application. Check and recheck the filing requirements to ensure that all the needed information is submitted. The biggest reason for delays in processing is due to missing information.
- Make sure to complete all filing requirements before submitting the application and forms
- Be sure to use the same contact information (business name and the name of all owners) that you use on your federal tax returns. Double-check that they match
- If your tax returns reference other businesses that you own, you must also submit those tax returns in order to avoid processing delays
- If more funds are needed, applicants can submit supporting documents and a request for an increase. If fewer funds are needed, applicants can request a reduction in the loan amount.
- If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration
- Utilize your business' financial consultants, CPA, and bookkeepers to help you!
- **FILE YOUR APPLICATION ELECTRONICALLY. MAILED IN APPLICATIONS WILL TAKE LONGER TO PROCESS.**