

SBA Economic Injury Disaster Loan (EIDL):

Navigating Reconsideration, Increases and Advance Grants

November 3, 2021



**OneEastside
SPARK**

*Center for Business
Resilience and Innovation*

Q&A Transcript

Our company is seeking to increase our loan from 500k to \$2,000,000 SBA guidance says that the increase will be based on 2019 financials and owner credit score. We easily qualify for both of these. Yet, we also see in the next line of the SBA guidance that we may need to provide proof of ability to service the loan from future cash flows. Is that a second requirement? Or a possibility only that may come up from the underwriter? If so, can we provide a statement of future cash flows based on benefits from the loan?

We will ask for a schedule of liabilities, but it will be up to the underwriter to see if future cash flows (or "projections") will be needed. It will depend on 2019 cash flow.

I had a loan officer waiting on transcripts I finally got them he asked for my ID and now he has disappeared..3 weeks later I'm in recon limbo it seems. Not getting anyone to answer me. Ive exhausted all options and just keep getting the same emails everyone else gets please tell me what I can do!!

I am sorry to hear about your experience. Please call the Seattle district office customer service line at 206.553.7310 and leave a voicemail. We will call you back and research your individual situation.

I have never got a chance to choose an amount or have the blue button or anything my portal has always been greyed out and says denied...what can I do now? When I sent for reconsideration it told me my app was a duplicate but it's not and I have proof and have sent it and still keep getting the same duplicate email

Your situation will require personalized support. Please call our local Seattle customer service line 206.553.7310 and leave a voicemail-we will get back to you and research your EIDL application.

Thanks Ms. Cathy. I'll be calling you ASAP!

Excellent-I'm on customer service duty today:)

What would a possible reason be for getting a denial for the grants if we meet all requirements and haven't received any covid economic help so far?

To be eligible for the targeted advance, you have to meet three requirements: 1. business is located in a low-income census neighborhood; 2. business has suffered a minimum of 40% decline in gross revenue; and 3. business has less than 300 employees.

Can you pre-pay the loan 5 or 10 years down the line?

Yes, there is no prepayment penalty.

I have received the EIDL first round , however I requested the EIDL Increase in which no one is telling me why i am not getting it the increase. I feel like i am being left out. the survival of my business depends on it. Can you please help.

Yes, we can help. Please call the Seattle district office customer service line (206.553.7310) and leave a message. We will get back to you.

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Please address the inequitable low-income census map 'tool' required for EIDL targeted grant and TG supplemental grant. Millions of small and low-income businesses, minority and women-owned businesses are blocked from this funding depending on that discriminatory map and portion of the law. Ms. Guzman refuses to address this in all her tours and webinars, will you step up to address this issue so many are questioning with good reason? Thank you

Eligibility for the Targeted Advance and Supplemental Targeted Advance is determined by legislature. It is not within the authority of this office or presentation to defend or overrule policy.

We received an invite to increase the loan from \$150,000, then well over half a year later were rejected with zero information after asking for an update maybe a hundred times, then another sixth months goes by we finally get a meager response requesting 2019 taxes, which they already have, and now have gone another several months with no update at all. We are in the dark.

We can research your application-please call 206.553.7310

Particularly interested in the part where this can act as a grant and not have to be paid back? At least that's what I thought I heard?

Only the Targeted Advance (\$10,000) and Supplemental Targeted Advance (\$5,000) do not need to be paid back.

How to check the status of reconsideration request for EIDL loan increase?

You can contact the disaster loan customer service line at 833.853.5638.

We have three cinemas in the PNW, all basically the same other than varying income. Our EIDL increases were less than they should be for all because the information provided by the IRS to the SBA was incorrect. The SBA will not accept any documentation from us (i.e. official Schedule C forms) proving the error. They will only accept documentation via the IRS. What should we do?

You can efile an amended 2019 business tax return. Efilng is highly recommended as transcripts are faster rather than mailing the amended return in.

Our business suffered over a 50% reduction in revenue but has still never received an email invite to the supplemental EIDL grant. I need help.

The first requirement is the business being located in a low-income community. You can check that using this tool: Search by address to see if your business or other eligible entity type is located in an eligible low-income community (www.sbaeidl.policymap.com).

We have submitted the documents needed for loan increase reconsideration, and have been waiting for weeks, but still not received reply from SBA, how long should we expect to get feedback from SBA? It seems every step taking weeks or months....

We have been told that the average processing time for increase requests is four weeks (the average processing time for reconsideration of declined requests is 12 weeks). If you have been waiting longer than that, please call our office and we can inquire. 206.553.7310

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Can someone other than the business owner or business partner prepare and submit the application, like a member of the family or community, if the owner or partner does not have online access? How are you seeing people navigate the issue of digital access? Any success stories?

We have seen borrowers applying via common internet (like at libraries or their CPAs or community centers). So, yes, a borrower can use an outside source to apply for the EIDL.

My friend took help from a third-party to apply for the EIDL but the person did not follow-through, which is why they did not get the loan. Can they reapply?

Please do not reapply-the best bet is to contact us to make sure there isn't an application. Give us a call, and we can check the system. 206.553.7310.

My startup is 14 months old, am I eligible to apply? A peer in a similar situation was denied recently!

The requirement is that you had to be in business by 1/31/2020.

Will any of the EIDL loans ever be forgiven?

No, these are loans and will need to be repaid.

Are there any changes being made to the eligibility process to incorporate those who have demonstrated a deep loss of income and are small, minority businesses, but are not within the Census designated low-income areas?

Not to our knowledge. You are encouraged to still apply for the EIDL even though you are not eligible for the targeted advance.

Is there someone I can contact to change a minor error in my contact information?

You will need to call the disaster loan customer service line at 833.853.5638 to change information on the database (we are unable to do that at the district office level).

Our LLC purchased a rental property last year & we lost about 6 months of rental income in 2020 because of Covid related delays. Are we eligible to apply?

yes, landlords are eligible to apply for an EIDL.

From the time you submit your application when can you expect to get approval and disbursement of money?

well, I would allow at least 30 days (assuming all goes smoothly).

We are a nonprofit, could you please clarify the business ownership section a little?

We understand that non-profits do not have "ownership" but someone will need to sign loan documents on behalf of the borrower. Most nonprofits will use the Executive Director for that.

Can I use the balance of an existing loan to "consolidate"?

You can use EIDL funds to "prepay" a regular business loan. If the existing loan is a SBA loan, you cannot "consolidate" that.

Are companies able to qualify for EIDL if they have received PPP funds?

Yes-PPP does not impact EIDL

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I HAVE been waiting for almost 8 weeks for verification from IRS and still waiting.

That's longer than what we have been told. Please call our office and we can research that.

206.553.7310

I had EIDL Loan of \$12,000. Can I still apply for another EIDL loan if I am not in low-income area (in Kirkland).

You can apply for an increased to your existing EIDL loan. You cannot apply for a second loan. Each business is limited to only one EIDL.

Thank you. Another question: My Tax Return for 2019 was revised after IRS audit (last month). What Tax return I need to show? I will have to pay \$1321 in taxes due to the incorrect calculations on my part of taxes I did myself. Is \$1321 a business expense?

I would show the revised return as I suspect the IRS transcript for the original 2019 return will come back as zero'd out. You can't deduct IRS taxes on your return BUT you can use EIDL funds to pay current taxes.

Do I need to request a new C schedule or revised transcript from IRS for 2019?

I'm not sure what you mean. If you need to revise your 2019 schedule C, you will need to e-file an amended personal tax return. Once that is done, then the transcript can be ordered by the SBA.

What is Customer's number?

Oops, Janie just answered that-you will put your EIDL application # in that box.

I received a \$10k EIDL grant a few months after Covid began. My business meets all qualifications for the supplemental EIDL grant. I still have not received a supplemental EIDL grant. Wurst Biergarten, LLC
You may be eligible for the supplemental Target Advance (since you've already received \$10,000). To be eligible, your business needs to be located in a low-income community, you have to show a 50% decrease in gross revenue, and you have to have less than 10 employees.

My business received a \$93,400 EIDL loan a few months after Covid began. Because the pandemic dragged on so long I needed to apply for increased funding. I have been able to improve our financial situation and our balance sheet reflects an improved stronger business. I have submitted for reconsideration but it's been over a month since the last time I received communications. How can I get an update for my business the Wurst Biergarten, LLC.

yes, please call our office at 206.553.7310 and we can research your situation.

What do I need to do to speak with someone who can provide me with information on my submittal requesting the supplemental targeted EIDL advance? I am located in a low income area. I am sure I meet all criteria. Is there an email or number I should call to give me an update on my request/status?
you can contact our local district office to discuss. 206.553.7310

I can not submit documents via the portal. My EIDL advance grant and EIDL loan were processed too long ago. There is no button etc in the portal. I will try emailing the advance email again b

Perhaps your application # begins with "2"? If that is the case, you can scan those documents to us, and we can email them to the loan center. Please call our office for assistance 206.553.7310

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Our company does not do business at our physical address. We run workshops all over the puget sound region. If we can demonstrate that a majority of our workshops are being held in low income communities, would we qualify for the grand funding?

No, we will use the business address on the business license or the tax returns.

I live in an area that it is not considered under distress. And become disqualified for the loan what exceptions are available?

The low-income address is required only for the targeted advance. You could still be eligible for the EIDL loan product. You will not need an exception.

Are you sending this webinar presentation via email? for debriefing the video. Thx

Yes all webinar participants will receive a follow up email with resources and access to a video recording of the webinar.

I still have an EIDL that I am paying back. Can I still ask for another loan?

No, a business cannot have more than one EIDL BUT you can apply for an increase. You can email covideidlincreaserequests@sba.gov and request the increase.

My company is looking to acquire a loan over \$200k. Does each owner have to personal guarantee the whole loan amount or just the amount over \$200k?

Any 20% or more owner will need to personally guarantee the EIDL.