

SBA Relaxes Rules for States Seeking Economic Injury Declaration Related to COVID-19

By Mark Sarlson

On March 17, 2020, the United States Small Business Administration (“SBA”) relaxed its rules for states or territories seeking an economic injury declaration related to coronavirus (COVID-19). These changes will expedite the ability of small businesses to apply for Economic Injury Disaster Loans for working capital to mitigate economic injury caused by COVID-19.

Previously, the SBA required that any state or territory impacted by disaster provide documentation certifying that at least five small businesses have suffered substantial economic injury as a result of a disaster, with at least one business located in each declared county/parish. Small businesses within those counties could then be eligible for such loans. For states with numerous counties, such as Ohio, this could be a time-consuming process. The SBA will now only require that states or territories certify that at least five small businesses within the entire state/territory have suffered substantial economic injury, regardless of where those businesses are located. This will allow small businesses wherever located throughout a state to apply for these loans.

Currently, counties within several states have been certified. Based on the changed criteria, it is expected that all counties within those states will automatically qualify. As of March 17, 2020, Ohio had not yet been certified, although that is expected imminently. For a listing of current SBA declared COVID-19 disaster areas, please click [here](#).

If you have any questions about this topic, please contact one of the listed Roetzel attorneys.

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