

ECONOMIC INJURY DISASTER LOAN (EIDL) PROGRAM

The Small Business Administration's (SBA's) Economic Injury Disaster Loan Program provide loans and/or grants to eligible employers to cover working capital needs. Borrowers can also request an increase to an existing EIDL when they log into their SBA EIDL account.

WHO QUALIFIES?

GENERAL ELIGIBILITY

- Self-employed individuals
- Small Businesses
- Tribe-Owned Businesses
- Nonprofit Organizations
- Cooperatives

ADDITIONAL CONDITIONS (NOT EXHAUSTIVE)

- Employers must meet applicable [SBA Size Standards](#), or have 500 employees or less if they do not meet SBA Size Standards.
- Applicants must have been operational on January 31, 2020.
- Collateral is required for all loans over \$25,000, but applicants will not be denied for lack of collateral. In such an instance, the SBA will require the borrower to pledge what is available.
- Applicants do not have to prove they can't find credit elsewhere.
- Applicants do not have to provide a personal guarantee for loans of \$200,000 or less.

PROGRAM FEATURES

GENERAL OVERVIEW

- Loans and grants will be offered directly through the SBA.
- Grants are available in the form of cash advances on the loan. The cash advances don't have to be paid back, even if the underlying loan is rejected.
- Loan interest rates are capped at 4%. However, the rate is usually set at 3.75% for businesses and 2.75% for nonprofit organizations.
- Loan terms and conditions are determined on a case-by-case basis, based on the borrower's ability to repay and financial condition.
- Repayment periods are capped at 30 years.

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LOAN FEATURES

- Loan size is based on the amount of substantial economic injury sustained by the borrower.
 - “Substantial economic injury” is defined as the amount of ordinary and necessary expenses the borrower cannot cover due to the COVID-19 pandemic.
- Loans are currently capped at \$150,000 due to funding restraints, but SBA has the authority to raise the cap to \$2 million.
- Loans can be used to cover fixed debts, payroll, accounts payable and other working capital needs.
- Loans cannot be used to refinance existing debt, pay civil or criminal penalties, repair physical damage, or pay dividends to owners.

GRANT (EIDL ADVANCE) FEATURES

NOTE: EIDL Advances are no longer available for most businesses and organizations. However, Supplemental Targeted EIDL advances are available to certain employers that already received a Targeted EIDL advance. Please see [here](#) for more information.

- EIDL Advances are available until either program funds run out or January 1, 2022.
- Grant amounts are based on the availability of funds, with priority given to those that qualify for a Targeted EIDL Advance.
- Targeted EIDL Advances provide a guaranteed \$10,000¹ to employers that meet the following criteria:
 - Are located in a low-income community,²
 - Have 300 employees or less,³ and
 - Experience at least a 30% reduction in revenue during an 8-week period beginning on March 2, 2020 or later.⁴

APPLICATION PROCESS

- You can apply for a loan [here](#).
- Currently, EIDL Advances are only available for employers that are eligible for a [Targeted EIDL Advance](#) or [Supplemental Targeted EIDL Advance](#). SBA will contact eligible employers to invite them to apply. For more information about Targeted EIDL Advances, please see the SBA’s [Targeted EIDL Advance FAQ](#).
- For more information on either the loan or grant process, please visit the SBA’s website [here](#), or contact your nearest [SBA District Office](#).

1. SBA will provide either a \$10,000 grant or an amount equal to the difference between what the applicant previously received and \$10,000.

2. A low-income community is defined as a census tract with either (1) a poverty rate of at least 20%, (2) a median family income that is no more than 80 percent of the statewide median family income, or (3) a median family income that is no more than 80 percent of the applicable metropolitan area.

3. Based on tax filings.

4. Applicants will be asked to provide gross monthly revenue (all forms of combined monthly earnings received, such as profits or salaries) to confirm the 30% reduction.