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.

**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.
- Generally, businesses will be considered affiliates if, as of January 31, 2020, a single entity owns 50% or more of each business or an entity has common control over the businesses.
- A single corporate group with multiple affiliates cannot receive an aggregate total of loans that exceed $10 million.

**SPECIAL ALLOWANCES FOR HARD-HIT INDUSTRIES**
Businesses and organizations in the following industries are eligible even if they have more than 500 employees, as long as they have no more than 500 employees per physical location and no more than 20 locations:
- Educational Services (NAICS 61)
- Arts, Entertainment and Recreation (NAICS 71)
- Accommodation and Food Services (NAICS 72)
- Support Activities for Mining (NAICS 213)
ECONOMIC INJURY DISASTER LOAN (EIDL) PROGRAM

- 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.

PROGRAM FEATURES

GENERAL OVERVIEW

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- Repayment periods are capped at 30 years.

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 $2 million.
- Loans can be used to cover fixed debts, payroll, accounts payable and other working capital needs.
- Generally, loans cannot be used to refinance existing debt (except for hard-hit industries), pay civil or criminal penalties, repair physical damage, or pay dividends to owners.

- Beverage Manufacturers (NAICS 3121)
- Apparel Manufacturing (NAICS 315)
- Clothing and Clothing Accessories Stores (NAICS 448)
- Sporting Good, Hobby, Book, and Music Stores (NAICS 451)
- Air Transportation (NAICS 481)
- Transit and Ground Passenger Transportation (NAICS 485)
- Scenic and Sightseeing Transportation (NAICS 487)
- Publishing Industries (except Internet) (NAICS 511)
- Motion Picture and Sound Recording Industries (NAICS 512)
- Broadcasting (except Internet) (NAICS 515)
- Rental and Leasing Services; and (NAICS 532)
- Personal and Laundry Services (NAICS 812)
NEW PROGRAM FEATURES

Beginning September 8, 2021, newly issued EIDLs will have the following features:

- Loan proceeds can be used to payoff new or existing private or federal debt. Eligible uses include monthly payments, payments of deferred interest, and pre-payments (except that prepayment will not be permitted on federal debt).

- Borrowers can defer repayment for up to 2 years (24 months). During such time, private lenders can treat the loan as ordinary income, rather than an active debt burden.

- By request, loans can take a subordinate position on collateral, making it easier for borrowers to access the funds. For more information about the loan subordination process, please contact your nearest SBA District Office.

APPLICATION PROCESS

- You can apply for a loan here.

- SBA will initially process requests of $500,000 or less, and then process requests greater than $500,000 (up to $2 million) beginning September 24.

- For more information on the loan process, please visit the SBA’s website here, or contact your nearest SBA District Office.