

## Small Business Administration Economic Injury Disaster Loans

### Description of Program and Relief

Economic Injury Disaster Loans (“EIDLs”) provide working capital to help small business concerns, small agricultural cooperatives, small aquaculture companies, and most private non-profit organizations (of all sizes) meet ordinary and necessary financial obligations that they might not otherwise be able to meet as a result of a disaster. Small businesses and non-profit organizations in all states and territories are now eligible to apply for EIDLs through the United States Small Business Administration (“SBA”) to alleviate economic injury caused by the COVID-19 disaster.

The SBA may generally grant EIDLs up to \$2 million, but can waive this limit if a business is a major source of employment. The amount of each EIDL is limited to the amount of the economic injury caused by the COVID-19 disaster, less any business interruption insurance or other recoveries the business receives. In determining the appropriate size of the EIDL, the SBA will also consider potential contributions that are available from the business owners and/or affiliates.

The SBA determines the appropriate term and installment repayment plan for each EIDL based upon the financial condition of the borrower. The term of the loan can be up to 30 years and includes a fixed interest rate. The interest rate is 3.75% for small businesses and 2.75% for non-profit organizations.

### Government or Lead Agency

United States Small Business Administration

### Dates Available

Loans are currently available in all states and territories and will be available through at least December 16, 2020.

### Eligibility Requirements/Restrictions

To be eligible to receive an EIDL, applicants must:

- Pass a credit history check by the SBA,
- Demonstrate an ability to repay the loan, and

- Provide collateral for all EIDLs over \$25,000. Real estate may be used as collateral when available. The SBA will not decline a loan because the borrower does not have collateral to provide, but if collateral is available, the SBA will require the borrower to pledge it.

Applicants who have previously not complied with the terms of SBA loans may not be eligible. EIDLs cannot be used to refinance long term debts. The SBA may require borrowers to obtain and maintain insurance, including flood insurance for collateral property if it is located in a flood hazard area.

### **Application Deadlines (If Applicable)**

December 16, 2020

### **Contact for More Information**

SBA's Customer Service Center

Email: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

Tel: (800) 659-2955

Tel: (800) 877-8339 (TTY: deaf and hard-of-hearing)

### **List of Additional Information**

[Click here for a COVID-19 EIDL Fact Sheet](#)

Additional information on the EIDL application process:

[https://disasterloan.sba.gov/ela/Documents/Three\\_Step\\_Process\\_SBA\\_Disaster\\_Loans.pdf](https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf)

<https://disasterloan.sba.gov/ela/Home/Questions>

Register for an account to apply online or download application forms:

<https://disasterloan.sba.gov/apply-for-disaster-loan/index.html>

Additional information on SBA disaster assistance in response to COVID-19:

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

<https://www.sba.gov/disaster-assistance/coronavirus-covid-19#section-header-1>