



SBA Economic Injury Disaster Loans (EIDLs) Fact Sheet

Overview:

The SBA is offering low-interest federal disaster loans through its Economic Injury Disaster Loan Program. The program makes low-interest loans available to eligible entities to provide capital to alleviate the economic impact of the COVID-19 pandemic.

The CARES Act temporarily expands the Economic Injury Disaster Loan Program to provide an emergency advance up to \$10,000 for small businesses and eligible private non-profits impacted by COVID-19 within 3 days of applying. While the advance has spending restrictions (below), **it does not have to be repaid.**

Economic Injury Disaster Loan Program summary:

- The loans offer up to \$2 million in assistance to applicants impacted by COVID-19.
- Loans may be used to pay fixed debts, payroll, accounts payable, and other bills that are unable to be paid due to the pandemic.
- Interest rates are 3.75% for small businesses and 2.75% for non-profit organizations.
- Maximum term for loan repayment is 30 years.
- Borrowers are assigned an individual loan officer for servicing of the loan.

Economic Injury Grants:

- The CARES Act creates a new \$10 billion grant program inside of the Economic Injury Disaster Loan program to provide small businesses with quick access to capital.
- These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an Economic Injury Disaster Loan.
- To access the grants, businesses must first apply for an Economic Injury Disaster Loan and then request the advance.

- The advance does not need to be repaid if it is used to keep employees on payroll, pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage insurance payments.

Who is eligible:

- Business entities with 500 or fewer employees
- Sole proprietorships, with or without employees
- Independent contractors
- Cooperatives and employee-owned businesses
- Tribal small businesses
- Private non-profits of any size

Guidance from SBA on What to do Before and During the Application Process:

- Small businesses and other eligible entities should:
 - Contact vendors and work with them to get better payment terms than you currently have.
 - Contact their bank for a business loan.
 - If you are approved for a loan at 3.75% or comparable rate, the SBA will not offer you something better.
 - Prioritize vendor payments according to the most crucial services and the vendor's ability to work on better terms of payment.
 - Make good faith payments to vendors and employees to stay as current as possible.
 - File their 2019 tax returns as quickly as possible.
 - Prepare income statements complete with monthly sales reports from 2019 and 2020 to date

How to Apply:

- Application forms and instructions can be found on the SBA's website [here](#).