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Economic Injury Disaster Loan (EIDL) Quick Summary

- **Maximum interest rate:** 3.75% for small businesses, 2.75% for non-profits
- **Maximum loan amount:** up to $2 million non-revolving line of credit
- **Fees:** No costs other than recording fees, appraisals, etc.
- **Term:** Up to 30 years with payments deferred for 11 months after the loan is issued
- **Collateral:** No collateral required up to $25,000, then real estate and business assets as available. (loans cannot be denied solely for lack of collateral)
- **Credit History**: Must have a credit history deemed acceptable to the SBA, and the SBA must determine that the business has the ability to repay the loan.
- **Other criteria:** No requirement to prove you tried and failed to get credit elsewhere

What is an Economic Injury Disaster Loan (EIDL)?

EIDLs are essentially working capital loans offers by the SBA for small for-profit and non-profit businesses that have suffered a loss in revenue. They're meant to help small businesses stay up and running.

Who can apply for the Economic Injury Disaster Loan (EIDL) program

In short, any businesses that have been directly affected by Covid-19, any businesses that offer services directly related to the business affected by the disaster, or other businesses indirectly related to the industries likely to be harmed by losses in their community can apply. Laying off workers will not affect eligibility.

1. **Small Businesses.** maximum of 500 employees, including but not limited to restaurants, retailers, gift shops, motels and hotels, service-based companies, recreational facilities, charter boats, manufacturers, sports vendors, owners of rental property, travel agencies and wholesalers.

2. **Cooperatives and ESOPs.** Maximum 500 employees

3. **Most Not-for- profit Organizations.** including but not limited to nursing homes, food kitchens, museums, educational facilities, senior citizen centers, childcare centers, playhouses, community centers, shelters, and rescue organizations

4. **Tribal small business concerns.**

NOTE** *Some agricultural enterprises, religious organizations, some charitable organizations, gambling concerns, real estate developers and casinos/racetracks are ineligible for an EIDL.*

How does the Economic Injury Disaster Loan (EIDL) program work?

The EIDL program is applied for and disbursed directly from the SBA, no bankers are involved. The program generally follows these steps:

1. **Apply for a loan.** Business owners apply directly with the SBA either online at https://disasterloan.sba.gov/ela , or by mail. SBA customer service can be reached by phone at 800-659-2955 or you can email disastercustomerservice@sba.gov.

2. **Request an emergency advance.** Applicants may request an emergency advance from the SBA of up to $10,000 to be paid within 3 days of a successful application. This does not have to be repaid if the loan application is later denied. However, the borrower must self-certify eligibility under penalty of perjury pursuant to 28 U.S.C. 1746.

3. **SBA conducts underwriting.** The SBA may need up to 10 days to process the application and either approve or deny the request.

4. **Repay balance.** The SBA will determine the term and repayment of all requests on a case by case basis. Program parameters are listed above.

How can EIDL program advances be used?

Advances may be used for purposes including the following.

1. **Maintaining payroll** during business disruptions during slowdowns
2. **Making rent or mortgage payments**
3. **Repaying debts** that cannot be paid due to lost revenue.
4. **Meeting increased supply chain costs**
5. **Providing sick leave** to employees unable to work due to direct effect of COVID-19