

# GUIDE TO SBA'S ECONOMIC INJURY DISASTER LOANS

The Coronavirus Aid, Relief, and Economic Security (CARES) Act expands the Small Business Administration's long-standing Economic Injury Disaster Loan Program (EIDL). The EIDL program was created to assist businesses, renters, and homeowners located in regions affected by declared disasters.

## Who is **ELIGIBLE?**

In general, all of the following entities that have suffered substantial economic injury caused by a disaster provided they were in existence on January 31, 2020:

- Businesses with fewer than 500 employees
- Cooperatives, ESOPs, and tribal small businesses with fewer than 500 employees
- Sole proprietors
- Independent contractors
- Most private nonprofits

## What are the **LOAN PARAMETERS?**

- The maximum EIDL is a \$2 million working capital loan at a rate of 3.75% for businesses and 2.75% for non-profits with up to a 30-year term
- Payments on Coronavirus EIDL loans are deferred for one year
- Up to \$200,000 can be approved without a personal guarantee
- Approval can be based on a credit score and no first-year tax returns are required
- Borrowers do not have to prove they could not get credit elsewhere

- No collateral is required for loans of \$25,000 or less. For loans of more than \$25,000, general security interest in business assets will be used for collateral instead of real estate
- The borrowers must allow the SBA to review its tax records

## How can I access an **EMERGENCY \$10,000 GRANT?**

- Eligible applicants for an EIDL can receive a \$10,000 emergency grant within three days of application (through Dec. 31)
- There is no obligation to repay the grant. To receive the \$10,000 emergency grant, it is not necessary to have an approved EIDL loan. However, if you are able to secure a PPP loan, the \$10,000 grant will be subtracted from the forgiveness amount

**NOTE:** The Paycheck Protection Program (PPP) created by the CARES Act prohibits borrowers from taking out two loans for the same purpose. For more information on PPP loans, visit [uschamber.com/sbloans](https://uschamber.com/sbloans)

## How do I **APPLY?**

Apply online at **[SBA.gov/disaster](https://SBA.gov/disaster)**