

NCAPA COVID-19 Resource: *Economic Injury Disaster Loan (EIDL)*

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The Small Business Administration (SBA)'s Economic Injury Disaster Loan (EIDL) recently received an additional \$50 billion in funding, giving them the ability to offer up to an additional \$350 billion in loans, and an additional \$10 billion for EIDL Emergency Advance Grants.[1]

LOAN INFORMATION:

- This loan (up to \$2 million) may be used for expenses that could have been met had the disaster not occurred, including fixed debts (rent, mortgage), utilities, payroll, and accounts payable. It cannot be used for refinancing.
- Interest rate is 3.75% for small businesses and 2.75% for non-profits.
- Includes possibility for up to \$10,000 emergency advance on loan. This advance does not need to be repaid under any circumstance.[2] The rest of the loan amount must be repaid.
- The non-forgivable portion of the loan carries a term of 30 years. The first month's payments are deferred a full year from the date of the promissory note.
- There is no cost to apply.

ELIGIBILITY[3]:

- Must have been in existence by January 31, 2020
- Small businesses with fewer than 500 employees
- Cooperatives, ESOPs, and tribal small businesses with fewer than 500 employees
- Independent contractors
- Sole proprietors
- Most private nonprofits (including 501(c)(3) organizations)

NEXT STEPS:

- To apply for EIDL: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>
- To access the advance, you must first apply for an EIDL and then request the advance by checking the box on the application form.[4]
- Make sure to submit as quickly as possible, as there is a limited amount of funding for this program.



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Source:

[1] https://smallbusiness.house.gov/uploadedfiles/ppp_and_health_care_enhancement_act_top_line_summary.pdf

[2] https://www.sbc.senate.gov/public/_cache/files/2/9/29fc1ae7-879a-4de0-97d5-ab0a0cb558c8/1BC9E5AB74965E686FC6EBC019EC358F.the-small-business-owner-s-guide-to-the-cares-act-final-.pdf

[3] https://www.uschamber.com/sites/default/files/uscc_covid19_sb-economic-injury-disaster-loans.pdf

[4] https://www.sbc.senate.gov/public/_cache/files/2/9/29fc1ae7-879a-4de0-97d5-ab0a0cb558c8/1BC9E5AB74965E686FC6EBC019EC358F.the-small-business-owner-s-guide-to-the-cares-act-final-.pdf