SBA Economic Injury Disaster Loans (EIDL)

The Coronavirus Aid, Relief, and Economic Security (CARES) Act expands the Small Business Administration’s long-standing Economic Injury Disaster Loan Program (EIDL) to assist businesses affected by COVID-19.

What is the EIDL?
- A low-interest loan issued by the Small Business Administration (SBA)
- Assists small businesses impacted by a disaster (in this case, Coronavirus) with operating expenses.

Eligibility
- Small Businesses, Nonprofits, Independent Contractors, and Sole Proprietors with fewer than 500 employees
  - Find SBA Size Standards [here](#).
- The business must have been in existence on or before January 31, 2020
- The business must prove negative impact due to COVID-19
- Subject to credit approval and ability for repayment

Loan Terms
- Up to $2 million; specific loan amount determined by level of “injury” sustained
- No collateral required for loans under $25,000
- Personal guarantee is required for loans over $200,000
- 3.75% interest for small businesses
- 2.75% interest for nonprofits
- Deferred payments for 1 year
- Max repayment period of 30 years
- Unlike PPP loans, EIDL loans are not forgivable

How Can I Use the Loan?
- General operating expenses
- Fixed debts (rent, etc.)
- Payroll
- Accounts payable
- Bills that could have been paid had the disaster not occurred

How Do I Apply?
- Apply through the SBA site directly: [https://disasterloan.sba.gov/ela/](https://disasterloan.sba.gov/ela/)
- You will need:
  - SBA Loan Application (SBA [Form 5](#), or [5C](#) for Sole Proprietors)
  - Tax Information Authorization (IRS Form [4506T](#)) ([4506T Instructions](#))
  - Complete copies of the most recent Federal Income Tax Return
Schedule of Liabilities (SBA Form 2202) (Form 2202 Instructions)
Personal Financial Statement (SBA Form 413)

Other information that may be requested:
- Complete copy of the most recent Federal Income Tax Return for principals, general partners or managing member, and affiliates
- Year-end profit-and-loss statement if most recent Federal Income Tax Return has not yet been filed
- Current year-to-date profit-and-loss statement
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures

Other Guidelines
- The EIDL Application is available through SBA now.
- Download and/or print out the application first to familiarize yourself with what is required, then submit it online for easier and quicker processing. If your application is incomplete, the process for approval will be delayed.
- If you are approved for a loan, you are not required to accept it.
- If more funds are needed, applicants can submit supporting documents and a request for an increase. If less funds are needed, applicants can request a reduction in the loan amount.

EIDL EMERGENCY GRANTS
Under the CARES Act, SBA is issuing Emergency Advance grants of $10,000 to eligible EIDL applicants.

Emergency Advance Guidelines
- $10,000 emergency grant issued within three days of EIDL application
- Available through December 31, 2020
- Indicate your interest in this Emergency Advance on your EIDL application
- You do not need to be approved for and receive an EIDL loan in order to receive the Emergency Advance
- The $10,000 Emergency Advance is forgivable and will not have to be re-paid

Questions?
We understand you likely have a number of unanswered questions. The Arts & Business Council will regularly publish updated information regarding COVID-19 assistance as it is made available, and we invite any questions you may have in the meantime.