

The EIDL Advance and EIDL loan program:

SBA Economic Injury Disaster Loan (EIDL) Advance

Advance Facts & Requirements

- Applicants are eligible for an advance of up to \$10,000 that may be requested immediately
- No requirement to repay advance, even if denied for a disaster loan
- If someone has already submitted an EIDL application, they must reapply using the new streamlined application and check the box for the advance as well because the advance was not previously available.

Document Requirements

- No documents required

Q: What is the EIDL Advance?

A: Applicants may request an advance of up to \$10,000 that may be requested immediately.

There is no requirement to repay the advance even if your SBA Disaster Loan application is declined.

You must request the advance of the funds by submitting the new streamlined application, even if you have already submitted a Disaster Loan application.

Q: Who is eligible for the emergency advance?

A: Any entity that is eligible to apply for a COVID-19 Economic Injury Disaster Loan.

Q: What can I use the emergency advance for?

A: Working capital to meet ordinary and necessary financial obligations that cannot be met as a direct result of the disaster, including payroll costs, salaries, sick leave, rent or mortgage payments, material costs, and pre-existing debt.

Q: How long do I have to apply for the advance?

A: The program ends on December 31, 2020.

SBA Economic Injury Disaster Loan (EIDL) Loan

Small businesses and non-profit organizations of any size affected by COVID-19 may apply for an Economic Injury Disaster Loan (EIDL)

- Any business with 500 or fewer employees that was in operation before February 1, 2020, is eligible
- Businesses with > than 500 employees that are considered small under SBA's size standards and in operation before February 1, 2020 are also eligible
- Faith Based entities that provide secular social services to the general public are eligible

Loan Details:

- ❖ Application deadline runs from 01/31/20 to 12/31/20
- ❖ Loan amounts of up to \$2 million, Terms up to 30 years
- ❖ interest rate for for-profit companies: 3.75%; non-profits: 2.75%
- ❖ Proceeds may be used for working capital, including:
 - Payroll costs, salaries and sick leave
 - Rent or mortgage payments
 - Material costs
 - Preexisting debt

Document Requirements

- Minimal documents
- Lower credit

Q: Is my business eligible to apply?

A: Any business that is affected by COVID-19, has 500 or fewer employees and was in operation before February 1, 2020, is eligible to apply. Businesses with more than 500 employees that are considered small under SBA's size standards and in operation before February 1, 2020 are also eligible.

Sole proprietors and independent contractors are also eligible.

Nonprofits of any size are eligible, including faith-based organizations that provide secular social services to the general public (e.g., childcare services, housing and shelter services, and prepared and unprepared food distribution services).

Q: What is the most amount of money my business or organization may receive?

A: You may receive a loan for up \$2 million. The amount of the loan will depend on a variety of factors.

(i.e., loss in revenue, payroll costs, rent payments, etc.). Most loans of up to \$500,000 will be processed using a mostly automated application and funds should be delivered within a week or two of submission.

Q: What is the interest rate?

A: For-profit companies: 3.75% ; Non-profit companies: 2.75%

Q: What is the term of the loan?

A: The loan terms are up to 30 years.

Q: What can I use the loan proceeds for?

A: You may use the loan proceeds to meet ordinary and necessary financial obligations that cannot be met as a direct result of the disaster, including payroll costs, salaries, sick leave, rent or mortgage payments, material costs, and pre-existing debt.

Q: Is there a personal guarantee?

A: There are no personal guarantees for loans \$200,000 or less.

Personal guarantees are required for loans >\$200,000.

Q: Is collateral required?

A: No collateral is required for loans of \$25,000 or less.

Collateral is required for loans over \$25,000; however, there is no real estate collateral required. A blanket UCC-1 will be filed against all of the business collateral.

Q: What information is the SBA using to underwrite the loan?

A: SBA will approve loans based on the information in the application and a credit score.

Q: When does repayment start?

A: Repayment starts 12 months from the date of the note.

Q: Is there a fee to apply?

A: For loans of \$25,000 or less, there are no application or processing fees. For all loans greater than \$25,000, there will be a \$100 UCC lien filing and processing fee added to the amount of the loan. There are no other fees.

Information provided by:

Garth D. MacDonald

Public Information Officer

Office of Disaster Assistance, Field Operations Center - West

U.S. Small Business Administration