

GUIDE TO SBA'S ECONOMIC INJURY DISASTER LOANS

The Coronavirus Aid, Relief, and Economic Security (CARES) Act extended 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 500 or fewer 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
- In March 2022, SBA granted a deferment extension for all COVID-EIDL loans approved in calendar years 2020, 2021, and 2022. Recipients now have an additional six months to begin payments for a total deferment of 30 months from the date of the Note.

- 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

What about the **EMERGENCY GRANT?**

SBA is no longer offering \$1,000 per employee up to \$10,000 emergency grants.

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

How do I **APPLY?**

Apply online at SBA.gov/disaster

The SBA administers the EIDL program. Please contact the SBA with specific questions.

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