

Terms	Economic Injury Disaster Loan (EIDL)
Availability	January 31, 2020 through December 31, 2020
Eligible Lenders	SBA (online application)
Eligible Businesses	<p>Small businesses, small agricultural cooperatives, most private non-profits, tribal business concerns, sole proprietors (with or without employees), independent contractors & cooperatives or employee-owned businesses that have:</p> <ul style="list-style-type: none"> • Less than 500 employees <u>or</u> • Meet the applicable size standard in number of employees as provided by SBA <p>Individuals who operate as a BUSINESS MUST HAVE BEEN IN OPERATION ON JANUARY 31, 2020</p>
Borrower Requirements	Eligible businesses must have sustained a “substantial economic injury” from COVID-19 and have a physical location in any U.S. state, the District of Columbia or territories.
Guarantees	Waives personal guarantees on loans and advances under \$200,000
Collateral	Required for loans over \$25,0000 (real estate is acceptable; SBA will not decline loan for lack of collateral, but will require borrower to pledge collateral that is available)
Maximum Loan Amount	\$2,000,000 (Provides for an emergency advance of up to \$10,000 within 3 days of applying for loan. The advance does not need to be repaid under any circumstance, even if loan application is denied. In advance of disbursing the advance payment, the SBA will require that the borrower file a certification, under penalty of perjury, that they are eligible to apply for an EIDL loan)
Loan Term	Up to 30 years (terms are determined on a case-by-case basis)
Interest Rate	3.75% for small businesses 2.75% for non-profits
Payment Deferral	Automatically deferred through the end of 2020
Allowable Uses	Loan funds can be used as working capital to pay fixed debts, payroll, accounts payable and other expenses that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or expansion.
Additional Terms to Consider	If you receive a COVID19-related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you can still apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program will be subtracted from the amount forgiven in the PPP. You cannot use your EIDL for the same purpose as your PPP loan. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April.
Waivers	<ul style="list-style-type: none"> - Waives requirement that Borrower provide tax returns, the SBA can approve and offer EIDL loans based solely on an applicant’s credit score <u>or</u> use an appropriate alternative method for determining the applicant’s ability to repay. - Waives requirement that Borrower demonstrate it was unable to obtain credit elsewhere - No cost to apply - No prepayment penalty
Nonbinding Guidance	N/A

Loan Application Requirements

The *CARES Act* waives the requirement that the Borrower provide tax returns; the SBA can approve and offer Economic Injury Disaster loans based solely on an applicant's credit score or use an appropriate alternative method for determining the applicant's ability to repay. Depending on the loan size, a Borrower may still need to provide the following documents:

- Completed SBA loan application (SBA Form 5 or 5C for sole proprietors)
- Tax Information Authorization (IRS Form 4506-T) – for the applicant, principals and affiliates
- Complete copies of the most recent Federal Income Tax Return
- Schedule of Liabilities (SBA Form 2202)
- Personal Financial Statement (SBA Form 413)

SBA is recommending applicants file electronically at <https://disasterloan.sba.gov/ela/>, although paper applications and forms are available. The EIDL funds come directly from the U.S. Treasury; applicants do not need to go through a bank to apply. Additional information may be requested by SBA including the following:

- Complete copies, including all schedules, of the most recent Federal income tax return for principals, general partners or managing member and affiliates.
- If the most recent Federal income tax return has not been filed, a year-end profit-and-loss statement and balance sheet for that tax year.
- A current year-to-date profit-and-loss statement.
- Additional filing requirements (SBA Form 1368) providing monthly sales figures.