SBA’s Economic Injury Disaster Loan (EIDL)

EIDL Program Overview

- Maximum loan size is $2 million
- Annual interest rate is 3.75% for businesses, 2.75% for qualified non-profits
- Term of the loan is up to 30 years, with the first payment due one year after the loan award date (interest will be accrued during deferment)
- Applicants who apply for this loan may request an advance of up to $10,000 from the SBA. These advances will be distributed within 3 days (payments began going out April 8, 2020) and the advance becomes part of the overall loan amount

Eligible Applicants

- Businesses with not more than 500 employees
- Sole proprietorships and independent contractors
- Cooperatives with not more than 500 employees
- Businesses, including agricultural cooperatives, aquaculture enterprises, nurseries, and producer cooperatives, that meet the SBA Size Standards found at https://www.sba.gov/size-standards

Allowable Uses for the Loan

- Financial obligations and operating expenses that could have been met had the disaster not occurred (this includes payroll, bills, and other business-related expenses)
- This includes loans to cover lost revenues
- Loans can be converted into PPP grants for forgiveness in some qualifying cases

Loan Application and Tax Filings

- 2019 taxes do not have to be filed prior to applying for the loan
- However, businesses will be asked to submit IRS form 4506T, which provides the SBA with access to historical tax returns