

SBA Economic Injury Disaster Loan (EIDL)

(<https://www.sba.gov/disaster-assistance/coronavirus-covid-19#section-header-1>)

Overview

1. Direct loan from the US Department of the Treasury, via the Small Business Administration (SBA).
2. Eligible applicants include: (1) small businesses¹; (2) non-profits; (3) owners of rental property.
3. Purpose: working capital for temporary loss of revenue.
4. Apply at: (<https://disasterloan.sba.gov/ela/>) (Do not lose username and password!)
5. No cost to apply.
6. No obligation to accept loan.
7. Ineligible applicants: agricultural enterprises; religious organizations; gambling concerns.

Terms

1. Loan Amount: up to \$2,000,000.
2. Interest Rate: 3.75% for small business; 2.75% for non-profit.
3. Amortization: up to 30 years, determined on a case-by-case basis.

Criteria

1. Acceptable personal credit history.
2. Demonstrate ability to repay.
3. Use of Funds: pay fixed debts; payroll, accounts payable; bills. (Not to supplant lost sales or for business expansion.)

Collateral

1. Required for loans amounts that exceed \$25,000.
2. Applicants will not be declined solely on the basis of lack of collateral. However, SBA will require whatever collateral is available, which may include liens on real estate.

Required Forms

1. SBA Form 5 – Business Loan Application (complete within online application)
2. SBA Form 413 – Personal Financial Statement, required by everyone with ownership of 20% or greater (complete within online application)
3. SBA Form 2202 – Schedule of Liabilities (complete within online application)
4. IRS Form 4506-T – Request for Transcript of Tax Return, required for the applicant entity and everyone with ownership of 20% or greater (download form, complete, sign, upload as PDF)
5. Additional information may be required, such as business or personal tax returns, year-end and/or interim financial statements, and monthly sales figures.

¹ SBA defines a small business based on size standards, according to NAICS code. To determine NAICS code go to: (<https://www.census.gov/smallbusiness/html/naics.html>), after you have your code, go to: (<https://www.sba.gov/size-standards/>).