

April 27, 2020

Economic Injury Disaster Loan and Advance Program Overview

The Economic Injury Disaster Loan (EIDL) is a direct loan from the Small Business Administration (SBA) for lost revenue/gross profit due to the COVID-19 disruption of your normal operations. The loan amount is set by SBA based on an estimate of lost cash flow due to the disruption. The EIDL loan is for business working capital needs not covered by the Paycheck Protection Program.

The repayment is based on 3.75% interest (2.75% interest for nonprofits), up to a 30-year term with the first payment deferred for 12 months. The program's initial collateral, personal guaranty, and "credit elsewhere" requirements have been loosened substantially.

An "up to \$10,000 Advance" feature was added to the EIDL loan program as part of the CARES Act. Every business that certifies they meet the basic EIDL eligibility requirements and requests an Advance in their application will receive a forgivable advance payment of \$1,000 per employee, up to the \$10,000 maximum. The Advance is designed to be an advance disbursement on the full EIDL loan that will ultimately be delivered once your EIDL application is processed. Even if SBA ultimately decides you do not qualify for a full EIDL loan, the Advance normally will not need to be repaid. The SBA is making every effort to disburse these Advances shortly after each EIDL application is submitted. [See EILD rules.](#)

Agricultural producers are reportedly now eligible for EIDL assistance. This change is part of the newly enacted law that just provided all the additional funding.

What Can I Do Now?

If you already applied for EIDL assistance on March 30 or later and you have an application # starting with "3," you don't need to do anything. Your application is on hand and will be processed by SBA as quickly as possible. SBA is recruiting 500 employees from within the agency (including colleagues from SBA Office of International Trade team) to help speed the processing of EIDL applications.

If you are awaiting an EIDL loan, please call SBA's Disaster Assistance Center at 800-659-2955 for updates. If you still need to apply for EIDL assistance, watch the [SBA EIDL program page](#) for the reopening of the EIDL application portal. Businesses simply need to complete a few input screens and make certain certifications.