

ECONOMIC



INJURY DISASTER LOANS

Coronavirus Aid, Relief, and Economic Security Act (CARES Act)



The Coronavirus Aid, Relief, and Economic Security (CARES) Act features \$349 billion to help businesses retain employees during the coronavirus emergency and economic disruption. The Paycheck Protection Program provides 100% federally guaranteed loans to eligible companies. The U.S. Treasury Department and the Small Business Administration (SBA) will be issuing guidance and regulations on this program, so this document will be updated accordingly.

WHAT COMPANIES ARE ELIGIBLE?



ANY BUSINESS WITH LESS THAN 50 EMPLOYEES (including sole proprietorships, independent contractors and self-employed persons) **or private non-profit organization.** Businesses in certain industries may have more than 500 employees if they meet the [SBA's size standards](#) for those industries.

- **FOR ELIGIBLE ENTITY VERIFICATION, THE SBA REQUIRES APPLICANTS TO CERTIFY THAT THE “APPLICANT IS NOT IN THE BUSINESS OF LOBBYING.”** Informal guidance indicates this is strictly to prohibit federal lobbying of the Legislative Branch and Executive Branch during the loan period. Applicants may need to review their federal lobbying operations before applying. Please see the SBA [“Certification Regarding Lobbying”](#) for more information.

HOW MUCH DO EIDLs PROVIDE? AND WHAT ARE THE LOAN TERMS?



THE MAXIMUM AMOUNT AVAILABLE TO ELIGIBLE SMALL BUSINESSES IS



The actual **loan amount is limited to the economic injury** as determined by the SBA. The applicant can also request an advance grant of **not more than \$10,000 within three days of when the SBA receives the application.** **The advance grant does not need to be repaid**, even if the applicant is ultimately found to be ineligible for the EIDL.

- **UP TO \$200,00 CAN BE APPROVED** without a personal guarantee, and approval may be based on a credit score — borrowers are not subject to the “credit elsewhere” requirement.
- **PAYMENTS ON CORONAVIRUS-RELATED EIDL LOANS** are deferred for one year.
- **COLLATERAL IS NOT REQUIRED FOR LOANS OF \$25,000 OR LESS.** For loans of more than \$25,000, general security interest in business assets are be used for collateral instead of real estate.
- **BORROWERS MUST ALLOW THE SBA TO REVIEW** its tax records.

WHAT IS THE TIME PERIOD FOR AN EIDL?



CORONAVIRUS-RELATED EIDLs ARE AVAILABLE FROM JANUARY 31, 2020 - DECEMBER 31, 2020. Whether a business has already received an EIDL unrelated to coronavirus or if one is received for the coronavirus-related EIDL (or grant) between January 31, 2020 and June 30, 2020, **a business can also apply for a PPP loan.** If a business ultimately receives a PPP loan or refinances an EIDL into a PPP loan, **any advance amount received under the EIDL grant would be subtracted from the amount forgiven in the PPP.**

RESOURCES

“[Economic Injury Disaster Loan Emergency Advance](#)” SBA

Apply at <https://www.sba.gov/funding-programs/disaster-assistance>