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SBA Reopens Economic Injury Disaster Loan Program to Applicants Experiencing Economic Hardships Due to Covid-19

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To further meet the needs of U.S. small businesses and non-profits, the U.S. Small Business Administration announced Tuesday that it has reopened the Economic Injury Disaster Loan (EIDL) and EIDL Advance program portal to all eligible applicants experiencing economic impacts due to COVID-19.

“The SBA is strongly committed to working around the clock, providing dedicated emergency assistance to the small businesses and non-profits that are facing economic disruption due to the COVID-19 impact. With the reopening of the EIDL assistance and EIDL Advance application portal to all new applicants, additional small businesses and non-profits will be able to receive these long-term, low interest loans and emergency grants – reducing the economic impacts for

their businesses, employees and communities they support,” said SBA Administrator Jovita Carranza.

“Since EIDL assistance due to the pandemic first became available to small businesses located in every state and territory, SBA has worked to provide the greatest amount of emergency economic relief possible. To meet the unprecedented need, the SBA has made numerous improvements to the application and loan closing process, including deploying new technology and automated tools, Carranza added.

SBA’s EIDL program offers long-term, low interest assistance for a small business or non-profit. These loans can provide vital economic support to help alleviate temporary loss of revenue, according to the SBA. EIDL assistance can be used to cover payroll and inventory, pay debt or fund other expenses. Additionally, the EIDL Advance will provide up to \$10,000 (\$1,000 per employee) of emergency economic relief to businesses that are currently experiencing temporary difficulties, and these emergency grants do not have to be repaid.

SBA’s COVID-19 Economic Injury Disaster Loan (EIDL) and EIDL Advance

- The SBA is offering low interest federal disaster loans for working capital to small businesses and non-profit organizations that are suffering substantial economic injury as a result of COVID-19 in all U.S. states, Washington D.C., and territories.
- These loans may be used to pay debts, payroll, accounts payable and other bills that can’t be paid because of the disaster’s impact, and that are not already covered by a Paycheck Protection Program loan. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.
- To keep payments affordable for small businesses, SBA offers loans with long repayment terms, up to a maximum of 30 years. Plus, the first payment is deferred for one year.
- In addition, small businesses and non-profits may request, as part of their loan application, an EIDL Advance of up to \$10,000. The EIDL Advance is designed to provide emergency economic relief to businesses that are currently experiencing a temporary loss of revenue. This advance will not have to be repaid, and small businesses may receive an advance even if they are not approved for a loan.
- SBA’s EIDL and EIDL Advance are just one piece of the expanded focus of the federal government’s coordinated response.
- The SBA is also assisting small businesses and non-profits with access to the federal forgivable loan program, the Paycheck Protection Program, which is currently accepting applications until June 30, 2020.