

# ECONOMIC INJURY DISASTER LOANS GUIDE



The U.S. Small Business Administration (SBA) recently approved Louisiana's request for an **Economic Injury Disaster Loan (EIDL)** declaration, unlocking low-interest federal disaster loans for working capital to help small businesses cover their operating expenses.

## WHO IS ELIGIBLE FOR AN EIDL?

In general, all of the following entities that have suffered substantial economic injury caused by the disaster (COVID-19), provided they were in existence on January 31, 2020:

- Businesses with fewer than 500 employees
- Sole proprietors
- Independent contractors
- Most private nonprofits
- Businesses that have more than 500 employees, provided they meet applicable SBA employee-based size standards for their industry, which can be found [here](#)

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*THE INFORMATION CONTAINED HEREIN IS AS OF APRIL 1, 2020 AND SUBJECT TO CHANGE.*

## HOW DOES THE ECONOMIC INJURY DISASTER LOAN (EIDL) WORK?

Eligible entities can apply for loans through the SBA at [covid19relief.sba.gov](https://covid19relief.sba.gov). Funds come from the U.S. Treasury.

- EIDL funds can only be used for:
  - Fixed debt payments
  - Payroll costs
  - Accounts payable
  - Other bills that could have been paid had the disaster not occurred
- Loans are not intended to replace lost sales or profits or for expansion and cannot be used to refinance long-term debts
- SBA will review credit history and applicants must show ability to repay the loan
- Loans over \$25,000 require collateral (real estate taken as collateral when available)
  - SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available
- Applicants can also apply for an EIDL advance of up to \$10,000, which would be made available in 72 hours and does not have to be repaid\*
- Application deadline is December 21, 2020

### \*EIDL EMERGENCY GRANTS

When you apply for an EIDL, you can request an emergency grant of up to \$10,000. The SBA will provide the grant within 3 days of receiving your application. You will not have to repay the grant, even if your application for a loan is denied.

*Note: Businesses can apply for and receive loans from both the Paycheck Protection Program and the Economic Injury Disaster Loan (EIDL); however, funds cannot be used for the same purpose.*

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FOR MORE INFORMATION, VISIT: [ONEACADIANA.ORG/COVID-19-RESOURCES](https://ONEACADIANA.ORG/COVID-19-RESOURCES)

## WHAT ARE THE LOAN AMOUNTS, TERMS, AND INTEREST RATES?

Loan amounts and terms are determined on a case-by-case basis, based on each applicant's financial condition and the economic injury determined by the SBA, with a maximum loan maturity of up to 30 years. Loans are capped at \$2 million. Interest rates are 3.75% for small businesses and 2.75% for non-profit organizations.

## HOW DO YOU APPLY FOR AN EIDL?

To apply, visit:  
[COVID19RELIEF.SBA.GOV](https://COVID19RELIEF.SBA.GOV)

## WHO DO I CONTACT IF I HAVE QUESTIONS?

For additional information on EIDLs, contact the SBA disaster assistance customer service center at  
**1-800-659-2955** or  
[DISASTERCUSTOMERSERVICE@SBA.GOV](mailto:DISASTERCUSTOMERSERVICE@SBA.GOV)

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