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.*

**FOR MORE INFORMATION, VISIT:** [ONEACADIANA.ORG/COVID-19-RESOURCES](#)
HOW DOES THE ECONOMIC INJURY DISASTER LOAN (EIDL) WORK?

Eligible entities can apply for loans through the SBA at 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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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

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

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