



Economic Injury Disaster Loan (EIDL) 101

The Small Business Administration (SBA) will begin accepting new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications on June 15 to qualified small businesses and U.S. agricultural businesses.

What is an EIDL and an EIDL Advance?

An Economic Injury Disaster Loan (EIDL) provides small businesses (500 employees or less), nonprofits, and agricultural businesses with low-interest loans to help overcome the temporary loss of revenue they are experiencing due to COVID-19.

An Economic Injury Disaster Loan Advance is grant of up to \$10,000 that will not have to be repaid. Recipients do not have to be approved for an EIDL loan in order to receive the advance, but the amount of the loan advance will be deducted from total loan eligibility. Because of the CARES Act, independent contractors, freelancers, and gig workers are now eligible to receive a \$1,000 EIDL Advance that does not have to be repaid.

How much can be borrowed?

The SBA will determine the size of the loan that approximates six months of your operating expenses.

What can it be used for?

EIDL loans can ONLY be used to alleviate economic injury as a result of the COVID-19 crisis. You can use the funds to pay fixed debts, payroll, accounts payable and other bills that you would have typically been able to pay had your business not been impacted by COVID-19. The funds from these loans cannot be used to replace lost sales, refinance long-term debt or to expand.

What are the terms of the loan?

Small businesses have an interest rate of 3.75% and nonprofits have a rate of 2.75%. Terms of repayment of the loan can be up to 30 years and no payment is due for the first 12 months.

Where do I apply?

The loans are made directly through the Small Business Administration and you don't have to go through a banking institution. To apply for a COVID-19 Economic Injury Disaster Loan and loan advance, [click here](#).

For more information about Economic Injury Disaster Loans and Advances, visit the [SBA's website](#).