



U.S. Small Business  
Administration

## SBA Economic Injury Disaster Loan (EIDL) a.k.a. Working Capital Loans: Fact Sheet

The SBA has issued nearly 2,050,539 disaster loans worth \$127 billion to small business impacted by Covid-19 through the program.

### **EIDL Loan terms:**

Unlike PPP loans, EIDL loans carry a term of 30 years and a 3.75% interest rate — backed by collateral for loans exceeding \$25,000. (Payments deferred for 12 months).

### **Eligibility:**

- Business located (physical presence) within the declared disaster area
- Have suffered, or are likely to suffer, substantial economic injury as a result of the disaster
- Must be an independently owned and operated business
- Do not have credit available elsewhere
- The size of the applicant alone (without affiliates) must not exceed the size standard for the industry in which the applicant is primarily engaged

### **Use of the loan funds:**

- Fixed debts (rent, etc.)
- Payroll (careful not to double dip with SBA PPP loan)
- Accounts payable
- Some bills that could have been paid had the disaster not occurred

### **Ineligible Uses of Loan:**

- Dividends and bonuses

- Disbursements to owners, etc.
- Repayment of stockholder/principal loans
- Expansion of facilities or acquisition of fixed assets
- Repair or replacements of physical damages
- Refinancing long term debt
- Paying down (including regular installment payments) or paying off loans provided, or owned by another Federal agency (including SBA) or a Small Business Investment Company
- Payment of any part of a direct Federal debt, (including SBA loans) except IRS obligations
- Relocation
- Other ineligible uses available online at (<https://www.sba.gov/document/sop-50-30-9-disaster-assistance-program-posted-05-31>)

**EIDL is a disaster loan assistance from SBA and needs to be paid back with interest at 3.75%. If you applied for this loan as a precaution and do not foresee any use for intended purposes, you can pay it off early, Principal + accrued interest.**



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