

U.S. Small Business Administration

COVID-19 Loan Programs

The U.S. Small Business Administration offers loan assistance programs to qualifying small businesses to use toward payroll, utilities, and other expenses when there is a declared disaster. In the case of COVID-19 these would be Economic Injury Disaster Loans (EIDL) and the Paycheck Protection Program (PPP). Businesses can qualify for one or both options to be used as outlined below, or by visiting www.SBA.gov.

ECONOMIC INJURY DISASTER LOANS (EIDL)

These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. [Apply for an EIDL Loan here.](#)

- The interest rate is 3.75% for small businesses.
- The interest rate for non-profits is 2.75%.
- The SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years.
- Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

These loans can be used to provide:

- Paid sick leave to employees affected by COVID-19
- Maintaining payroll to retain employees during business disruptions or slowdown
- Covering increased costs of materials, business rent or mortgage payments
- Other business operation costs that cannot be met due to lost revenue

ECONOMIC INJURY DISASTER ADVANCE LOAN

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. [Apply for the Loan Advance here.](#)

- This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue.
- Funds will be made available within three days of a successful application.
- This loan advance will not have to be repaid.

PAYCHECK PROTECTION PROGRAM (PPP)

This loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). If you wish to begin preparing your application, you can download a

copy of the [PPP borrower application form](#) to see the information that will be requested from you when you apply with a lender.

- Loan payments will also be deferred for six months.
- No collateral or personal guarantees are required.
- Neither the government nor lenders will charge small businesses any fees.
- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels.
- Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.
- This loan has a maturity of 2 years and an interest rate of 1%.

The [U.S. Department of Treasury](#) has put together a guide outlining the exact guidelines for loan forgiveness.

WHERE CAN I APPLY?

You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender to find out if they are participating. Visit www.sba.gov for a list of SBA lenders.

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