



### 1. What is the difference between Economic Injury Disaster Loan (EIDL) and the Paycheck Protection Program (PPP)?



#### Economic Injury Disaster Loan (EIDL)

<b>DESCRIPTION</b>	Long-term direct loan program from the SBA
<b>PURPOSE</b>	To meet financial obligations and operating expenses that could have been met had the disaster not occurred.
<b>AMOUNT AVAILABLE</b>	Six months of working capital.
<b>TERMS</b>	3.75% APR (fixed): businesses 2.75% APR (fixed); non-profits 30 years
<b>COLLATERAL</b>	Required for loans over \$25,000
<b>PERSONAL GUARANTEE?</b>	Requires a personal guarantee only for loans exceeding \$200,000
<b>FORGIVABLE?</b>	NO. Loan may be repaid at any time with no pre-payment penalties.
<b>1<sup>st</sup> PAYMENT</b>	1 <sup>st</sup> payment deferred 1 year; you can make payments if you like. Interest accrues during deferral period.  Complete and submit <a href="#">SBA Form 1201 Borrower Payments</a> on <a href="#">Pay.gov</a> .
<b>APPLY</b>	<a href="#">Apply online</a>



#### Paycheck Protection Program **NO LONGER AVAILABLE**

<b>DESCRIPTION</b>	Loans made through nearly 5,500 lenders across the country
<b>PURPOSE</b>	Designed to provide an incentive for small businesses to keep workers on the payroll.
<b>AMOUNT AVAILABLE</b>	Up to \$10 million
<b>TERMS</b>	1% 2 years or 5 years, depending on when loan was approved
<b>COLLATERAL</b>	No collateral required
<b>PERSONAL GUARANTEE?</b>	Not required
<b>FORGIVABLE?</b>	FORGIVEN if all employee retention criteria are met and funds used for eligible expenses.  <b>If borrower also received an EIDL Advance</b> , SBA is required to reduce the borrower's loan forgiveness amount by the amount of the EIDL Advance.  Details available online at <a href="#">SBA.gov/PaycheckProtection</a> .
<b>1<sup>st</sup> PAYMENT</b>	Payments will be deferred for a period of time depending on when borrower submits a request for loan forgiveness.
<b>APPLY</b>	<b>No longer available.</b> Check <a href="#">SBA.gov/PaycheckProtection</a> for latest information.



### 2. Can I apply for both COVID-19 EIDL and PPP?

Yes. Borrowers can apply for both the PPP and EIDL, although funds from both cannot be used for the same purpose.

- The [Paycheck Protection Program](#) loan proceeds must be used for eligible purposes according to guidance and some or all of the loan may be forgiven if used properly. **The authority to make PPP loans has expired and new PPP loans are no longer available.** [Check online](#) for latest information.
- EIDL funds can be used for working capital and normal operating expenses, such as continuation of health care benefits, rent, utilities, fixed debt payments.
- Note that businesses that received an EIDL Advance **in addition to** the PPP loan will have the amount of the EIDL Advance subtracted from the forgiveness amount of their PPP loan.

### 3. What can I use COVID-19 EIDL funds for? And how is that different from PPP funds?

EIDL proceeds can be used to cover a wide array of working capital needs and normal operating expenses, such as continuation of health care benefits, rent, utilities, and fixed debt payments.

The [Paycheck Protection Program](#) loan proceeds must be used only for eligible payroll costs and certain eligible nonpayroll costs as set forth in program guidance. The loan may be forgiven if all employee retention criteria are met and funds were used for eligible expenses.

Retain receipts and contracts for all loan funds spent for 3 years.

### 4. Who is eligible for COVID-19 EIDL?

Applicant must be physically located in the United States or designated territory and suffered working capital losses due to the coronavirus pandemic, not due to a downturn in the economy or other reasons. Eligible applicants include:

- Businesses with 500 or fewer employees or defined as small per [SBA.gov/SizeStandards](https://www.sba.gov/sizestandards)
- Cooperatives with 500 or fewer employees
- Agricultural enterprises with 500 or fewer employees
- Most private nonprofits
- Faith-based organizations
- Sole proprietorships and independent contractors

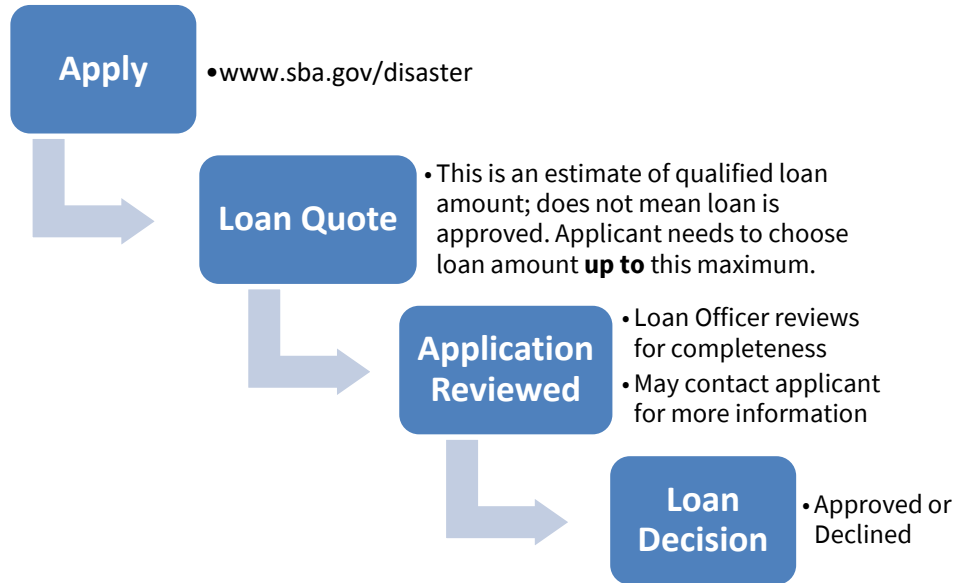
**Ineligible businesses** include those engaged in illegal activities, loan packaging, speculation, multi-sales distribution, gambling, investment or lending.



5. What if I am not a U.S. Citizen but my business meets all the other criteria for a COVID-19 EIDL?

A non-US citizen who owns 20% or more of the business is eligible if they are classified as a “non-citizen national” or “qualified alien.” Qualified aliens include permanent residents with a current green card. Refer to [SOP 50 30 9, Appendix 7](#).

6. What is the process to receive an Economic Injury Disaster Loan (EIDL) for COVID-19?



IF APPROVED	IF DECLINED
Email sent to applicant(s) to sign loan documents. <i>Be sure to download a copy for your records.</i>	Decline letter sent via email.
Loan proceeds transferred to bank account within 5-10 business days.	Applicant can request reconsideration in writing within 6 months of the date of decline letter.
Retain receipts and contracts for all loan funds spent for 3 years.	Send to:
Make payments through <a href="#">Pay.gov</a> OR mail payments to: U.S. Small Business Administration 721 19 <sup>th</sup> Street Denver, CO 80202	<b>E-mail:</b> <a href="mailto:pdcrecons@sba.gov">pdcrecons@sba.gov</a> <b>Mail:</b> U.S. Small Business Administration Disaster Assistance Processing & Disbursement Center 14925 Kingsport Road Fort Worth, Texas 76155
<b>On mailed payment, include:</b> <ul style="list-style-type: none"> <li>• Business Name</li> <li>• Borrower’s Name</li> <li>• Tax ID/EIN or SSN</li> <li>• Application Number</li> </ul>	<i>Include your application number and any information required to overcome the reason for decline.</i> The process will vary depending on reason for decline.



### 7. How can I check the status of my application?

Applicants will receive an invite to log-in to the customer portal to review the application, select an eligible loan amount, and submit for final review. If the loan is not approved, the applicant will receive an email notification with a detailed reason for the loan decline, including instructions on how to appeal the decision. Contact customer service to check on status: 1-800-659-2955.

### 8. I received an initial loan quote. Does that mean I've been approved?

No, that is simply an estimate of the loan you may be qualified to receive. Once you receive the initial loan quote:

1. Log into your SBA Loan Portal
2. Choose how much you want your loan amount to be, up to the maximum quoted
3. Be sure to click the **submit button**

Once that is completed, your application will be advanced to the final review stage. You may be contacted by a Loan Officer to submit additional information. Please respond promptly so your application can be processed.

### 9. I received the loan; how do I make payments?

Set up online payments by completing [SBA Form 1201 Borrower Payments](#) on [Pay.gov](#).

If you prefer to mail payments, send them to:

U.S. Small Business Administration  
721 19<sup>th</sup> Street  
Denver, CO 80202

#### **On mailed payments, be sure to include:**

- Business Name
- Borrower's Name
- Tax ID/EIN or SSN
- Application or Loan Number

### 10. I have a business partner, but he/she does not want to be included on the COVID-19 EIDL application. Can I still apply?

All owners who own 20% or more of the business are required to be included on the application and at least 81% ownership needs to be accounted for on the application in order to be considered.



11. What if I need more money than I've been approved for?

COVID-19 EIDLs can be modified by increasing the amount up to 6 months of working capital. An increase can be requested either before or after accepting the loan. If applicant is in urgent need of funds, accept the maximum loan amount offered and then request an increase by providing additional documentation.

If you were approved for a loan and would like to request additional funds, send an email that states your need for an increase to the loan amount to [pdcrecons@sba.gov](mailto:pdcrecons@sba.gov) with the word "INCREASE" in the subject line. Include any additional information that may assist us in considering an increase for your application. *For example:*

1. Your most recent Federal tax return for your business along with a signed [IRS Form 4506-T](#)
2. For updated financials (Gross Revenue, Cost of Goods Sold, cost of operation, or other sources of compensation), submit [Form 3502](#).

12. What if I don't need as much money as I've been approved for?

**Have you received the initial loan quote?**

1. Log into your SBA Loan Portal
2. Choose how much you want your loan amount to be, up to the maximum quoted
3. Be sure to click the **submit button**

**Already received funds via Direct Deposit?**

Make check payable to SBA and send with note that indicates whether the funds should be applied to the EIDL, Advance or both, and include:

- Business Name
- Borrower's Name(s)
- Tax ID or SSN
- Loan Number

**Already received funds via check?**

**If the check has not been deposited**, write VOID across the front and return check to the address below. *Include:*

- Business Name
- Borrower's Name(s)
- Tax ID or SSN
- Application Number

**Send to:**

U.S. Small Business Administration  
721 19<sup>th</sup> Street  
Denver, CO 80202



### 13. I have multiple businesses. Can I submit multiple COVID-19 EIDL applications?

Yes, you can submit one application per eligible business. However, at least 81% ownership needs to be accounted for on the application.

### 14. I've been declined for COVID-19 EIDL. What could be the reasons for that decline?

Decline reasons are unique to the applicant. The most common reasons for a decline are:

- **Unsatisfactory credit history.** Because EIDL is a government loan, federal regulations require applicants to meet minimum credit standards to qualify.
- **Unverifiable information.** If an applicant does not respond within 7 days to requests for additional information from loan officers, their application may be declined. Request a reconsideration to reactivate your application.
- **Ineligible non-US citizen status.** Applicants must be US citizens, non-citizen nationals, or qualified aliens. Refer to [SOP 50 30 9](#), **Appendix 7** for further information.
- **Business activity not eligible.**
- **Economic injury not substantiated.** There are two possible reasons for this decline: 1) The economic injury is less than the amount of the EIDL Advance; or 2) The information submitted does not indicate an economic injury.
- **Character reasons.** Applicants may be declined if they have been convicted of a felony in the past five years; or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction; those who are currently suspended or debarred from contracting with the federal government or receiving federal grants or loans; and/or those who are presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction.
- **Failure to respond.** If applicants do not respond to emails asking for additional information or to sign loan closing documents, the application will typically expire after 60 days.

### 15. Can I request a reconsideration if my COVID-19 EIDL application is declined?

Applicant has **up to 6 months** to request reconsideration. Send reconsideration requests to:

E-mail | [pdcrecons@sba.gov](mailto:pdcrecons@sba.gov)

Mail | U.S. Small Business Administration  
Disaster Assistance Processing and Disbursement Center  
14925 Kingsport Road  
Fort Worth, Texas 76155



Include any additional information that may assist us in your request. If the decline letter requested specific information or documentation for reconsideration, you must include those items.

**Be sure to include:**

- Business Name
- Borrower's Name
- Tax ID/EIN or SSN
- Application/Loan Number

The process will vary depending on reason for decline.

**Example:**

Applicant receives a decline letter for their COVID-19 EIDL loan application from SBA, listing “*Economic injury not substantiated*” as the reason for the decline. This reason is common when an applicant’s self-certified financial information on their streamlined application, such as the figures for Gross Revenues and the Cost of Goods Sold for the twelve (12) month period prior to the pandemic, did not reflect an economic injury, or the information may have been left blank.

The business owner’s request for reconsideration should be a written email/letter request including the following:

- A written note from the applicant requesting reconsideration of their declined COVID-19 EIDL loan application, which includes the Application number, Business/Entity name, Owners name(s), and address of business
- Copy of the most recent federal tax returns filed for the business, prior to the COVID-19 Pandemic, including all schedules and attachments
- A completed and signed IRS Form 4506-T for the business entity
- Copy of a voided check for the business account
- Upon SBA’s processing of the reconsideration, SBA may request additional information, which may include SBA Form 3502 – EIDL Supporting Information

#### 16. [If I’ve already received a COVID-19 EIDL and I’ve been affected by civil unrest, can I ask for more funds?](#)

If you are in an area that has a Disaster Declaration, which includes civil unrest and disasters such as flooding, storm damage, wildfires or earthquakes, you may be eligible for additional SBA Disaster Loans to cover damage to your home, personal possessions and/or business.



Check [disasterloan.sba.gov](https://disasterloan.sba.gov) to see if there is a disaster declaration for your area.

SBA's COVID-19 relief programs, such as the PPP and EIDL, are for economic impacts resulting from the coronavirus pandemic, and not for physical or economic disaster losses caused by civil unrest or other disasters.

**17. I already have a PPP and COVID-19 EIDL and my business has not recovered yet from the impacts of the COVID shutdowns; would I qualify for another loan?**

If your business received a PPP loan or EIDL assistance because of COVID-19, and even if you have another SBA Disaster Loan from a previous disaster, you may still qualify for a new SBA disaster loan for losses resulting from a declared disaster in your community.

**18. If I get another Disaster Loan due to civil unrest or a natural disaster, can I consolidate the new loan with my COVID-19 EIDL? Or can I use it to pay off the COVID-19 EIDL?**

No. Each SBA Disaster Loan is a separate loan; they cannot be consolidated or used to pay off earlier loans.

If you qualify for another SBA disaster loan due to a different declared disaster in your area, the new loan must be used for the purposes listed in your loan closing documents, which may include working capital or physical damage repairs. It cannot be used to refinance or payoff existing SBA disaster loans from previous disaster events, including COVID-19.

Retain receipts and contracts for all loan funds spent for 3 years so you'll be able to document use of funds for each loan.

**19. Given that my business has not yet recovered from COVID shutdowns, how will I handle repayment?**

Payments for COVID-19 loans are deferred automatically for 1 year. Disaster loans that are already in repayment status for disasters that occurred *before* COVID-19 are deferred through December 2020. **New disaster loans** for civil unrest and other disasters are also automatically deferred for 1 year.

If you qualify for a new disaster loan, you can request that SBA extend the deferment of your other loan payments to help with the financial hardship.





#### 20. How is the process for applying for a civil unrest or other disaster loan different from the COVID-EIDL process?

If your only experience with SBA Disaster Loans has been with the EIDL program for COVID-19, you'll find the process different for declared disasters such as civil unrest or other disasters.

- *There are two assistance programs:*

**Physical damage loans** that cover repairs and replacement of physical assets damaged in a declared disaster that are not covered by insurance.

**Economic injury loans** to cover small business operating expenses after a declared disaster.

- *The application process is different:*

Apply at [disasterloan.sba.gov](https://disasterloan.sba.gov)

Eligibility and loan requirements are different than the COVID-19 program, including collateral and insurance requirements. If secured, these loans may require a lien on your property and evidence of flood, hazard and/or windstorm insurance. Visit [SBA.gov/Disaster](https://SBA.gov/Disaster) for more information.



### Disaster Assistance at a Glance

Types of Assistance	Borrowers	Purpose	Max. Amount
Business Loans	Businesses and private nonprofits	Repair or replace real estate, inventory, equipment, etc.	\$2 million
Economic Injury Loan (COVID-EIDL)	Small businesses, agricultural concerns, private nonprofits and religious institutions	Working capital ( <i>operating expenses for agricultural concerns and nonprofits</i> )	6 months of working capital ( <i>operating expenses for agricultural concerns and nonprofits</i> )
Economic Injury Loans (All other disasters)	Small businesses and private nonprofits	Working capital	\$2 million
Military Reservist Economic Injury Disaster Loan (MREIDL)	Small businesses with military reservist(s) called up to active duty	Working capital	\$2 million
Home Loans—repair	Homeowners	Repair or replace primary residence; damage not covered by insurance	\$200,000
Home Loans—personal property	Homeowners and renters	Repair or replace personal property not covered by insurance	\$40,000
Mitigation	Businesses, private nonprofits, and homeowners	Mitigate / prevent future loss of the same type	Increase of up to 20% of verified physical damage. Homeowners limited to \$200,000.