



SBA Economic Injury Disaster Loan (EIDL)

Funder Organization: U.S. Small Business Administration (SBA)

Program URL: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

Type of Fund: Loan

Target Audience or Geography: Small Business Owner / Nationwide

Brief Program Description

Loan of up to \$2 Million. Loan amount is calculated by subtracting the Cost of Goods Sold (COGS) from Gross Revenue and multiplying by .5. Applications are submitted online through the SBA website and funds come directly from the U.S. Department of the Treasury. Loan is for operating expenses due to the temporary loss of revenue or economic injury.

Applicants were formerly able to request an advance that did not have to be repaid, up to \$10,000 (calculated as \$1,000 per employee) however after July 11, SBA discontinued the advance because funds for that purpose were exhausted.

Eligibility Requirements

Small businesses, sole proprietorships, independent contractors, self-employed, cooperatives, ESOP, tribal small businesses, private non-profit organizations, faith-based organizations, small agricultural cooperatives, agricultural enterprises as defined in Section 18(b)(1) of the Small Business Act), owners of rental property, small businesses engaged in aquaculture, and nurseries. Businesses must have 500 or fewer employees and have been in business since January 31, 2020. Business must be in a disaster declaration area. All parts of Oregon are within a declared disaster area.

Please visit: <https://www.sba.gov/size-standards> to find out if your business meets SBA's small business size standards.

Ineligibility Restrictions

The Oregon SBDC Network strives to provide the most accurate information as it becomes available. The Oregon SBDC Network does not provide legal or tax advice. We recommend that you seek legal and/or tax advice from licensed professionals. The Oregon SBDC Network cannot be held responsible for any errors or omissions in the information provided in this document. Please contact us for any recommended revisions at support@bizcenter.org.

Owners of unimproved real estate, businesses involved in adult entertainment, gambling concerns (or business with 30% or more revenue from legal gambling), cannabis businesses, and individuals convicted during the past year of a felony committed during a riot or civil disorder or other declared disaster.

*SBA disaster assistance is available for disaster losses that are not fully compensated by insurance recoveries, grants, or other sources. If a business receives other compensation in amounts that FULLY covers eligible disaster damages a business is NOT eligible (no “double-dipping”) to receive additional compensation by SBA. (Ref: SBA SOP 50 30 9 page 218)

**SBA will likely decline applicants with federal loan defaults, IRS tax liens, outstanding child support payments, as well as suspended or debarred federal contractors. If declined, a business can re-apply in 6 months.

***On April 24, 2020 Congress passed a \$484 billion COVID-19 stimulus package known as “CARES Act 3.5” which replenished EIDL program funding and made agricultural enterprises eligible to participate in the program.

Ineligible Use of Funds

- No dividends and bonuses.
- No disbursements to owners, unless for performance of services.
- No repayment of stockholder/principal loans (with exceptions).
- Not for business expansion or expansion of facilities.
- Not for acquisition of fixed assets.
- Not for repair or replacement of physical damages.
- No refinancing long term debt.
- Not for 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.
- Not for payment of any part of a direct Federal debt, (including SBA loans) except IRS obligations.
- Not for relocation related expenses.

Use of Funds: Working capital for operating expenses due to temporary loss of revenue or economic injury (fixed debts, payroll, mortgage, rent, lease payments), payments on short-term debt, accounts payable, and bills; not for business expansion.

Interest Rates: 3.75% for businesses and 2.75% for non-profits.

Loan Term: Amortization: up to 30 years, determined on a case-by-case basis.

Collateral Requirements: Collateral is required for loan amounts that exceed \$25,000. Applicants will not be declined solely on the basis of lack of collateral. SBA will require whatever collateral is available, which may include liens on real estate.

Loan Program Payment Deferment (if any): Up to one year payment deferral before payments need to be made.

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Personal Guarantee: Required for loans in excess of \$200,000.

Application: In order to apply, please visit the following link: <https://covid19relief.sba.gov/#>

Attached is a supplemental PDF showing the screens that applicants navigate while completing the online application process. You will be asked to verify eligibility, provide business and owner information, and provide banking information.

Program Contact Information

Phone: (800) 659-2955 8AM to 8PM EDT 7 days a week; (800) 877-8339 for the deaf and hard-of-hearing.

Frequently Asked Questions:

US Senate Guide to the CARES Act:

<https://www.sbc.senate.gov/public/index.cfm/guide-to-the-cares-act>

Please keep in mind this information is changing rapidly and is based on our current understanding of the programs, which can and likely will change. Although we are monitoring and updating this as new information becomes available, do not rely solely on this for your financial decisions. We encourage you to consult with your attorney, accountant, or financial advisor. To review your specific situation with an SBDC Advisor, please find your Center at: <https://bizcenter.org/centers>

INFO DOC Summary Created by: **Oscar Novelo**

Date: **April 15, 2020**

Revised/Edited by: **Noah Brockman**

Date: **July 15, 2020**

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The Oregon SBDC Network is funded in part through a Cooperative Agreement with the U.S. Small Business Administration, the Oregon Business Development Department, and other private and public partners, with Lane Community College serving as the Network's lead host institution. Oregon SBDC services are extended to the public on a nondiscriminatory basis. Language services are available for limited English proficient individuals.



Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

ELIGIBLE ENTITY VERIFICATION

Choose One:

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards> (<https://www.sba.gov/size-standards>).
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards> (<https://www.sba.gov/size-standards>).
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

Review and Check All of the Following:

Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

- Applicant is not engaged in any illegal activity (as defined by Federal guidelines)

If you have questions about this application or problems providing the required information, please contact our Customer Service Center at 1-800-659-2955 or (TTY: 1-800-877-8339) DisasterCustomerService@sba.gov.

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Step 1 of 3

Business Information

Business Legal Name *

Trade Name *

EIN/SSN for Sole Proprietorship *

Organization Type*

Is the Applicant a Non-Profit Organization? *

Yes No

Is the Applicant a Franchise? *

Yes No

Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *

Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *

Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster

Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)

Combined Annual Operating Expenses for the Twelve(12) Months Prior to the Date of the Disaster (January 31, 2020) for All Secular Social Services Provided by the Faith Based Entity

List the Secular Social Services Provided by the Faith Based Entity

Compensation From Other Sources Received as a Result of the Disaster

Provide Brief Description of Other Compensation Sources

Primary Business Address (Cannot be P.O. Box) *

City *

State *

County

Zip *

Business Phone *

Alternative Business Phone

Business Fax

Business Email *

Date Business Established *

Current Ownership Since *

Business Activity *

Detailed Business Activity*

Number of Employees (As of January 31, 2020) *

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Step 2 of 3

Business Owners Information

Is Your Business Owned by a Business Entity? *

Yes No

Individual Owner/Agent(s)

Owner/Agent 1 ^

First Name *

Last Name *

Mobile Phone *

Title / Office *

Ownership Percent *

Email *

SSN *

Birth Date *

Place Of Birth *

U.S. Citizen *
 Yes No

Residential Street Address *

City *

State *

Zip *

 Add Additional Owner

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Step 3 of 3

Additional Information

In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, 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?

Yes No

Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?

Yes No

a. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?

Yes No

b. Have you been arrested in the past six months for any criminal offense?

c. For any criminal offense - other than a minor vehicle violation - have you ever been convicted, plead guilty, plead nolo contendere, been placed on pretrial diversion, or been placed on any form of parole or probation (including probation before judgment)?

If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must enter their information below.

Individual Name

Name of Company

Phone Number

Street Address, City, State, Zip

Fee Charged or Agreed Upon

I give permission for SBA to discuss any portion of this application with the representative listed above.

Yes No

I would like to be considered for an advance of up to \$10,000.

Where to Send Funds

Bank Name *

Account Number *

Routing Number *

On behalf of the individual owners identified in this application and for the business applying for the loan:

I/We authorize my/our insurance company, bank, financial institution, or other creditors to release to SBA all records and information necessary to process this application and for the SBA to obtain credit information about the individuals completing this application.

If my/our loan is approved, additional information may be required prior to loan closing. I/We will be advised in writing what information will be required to obtain my/our loan funds. I/We hereby authorize the SBA to verify my/our past and present employment information and salary history as needed to process and service a disaster loan.

I/We authorize SBA, as required by the Privacy Act, to release any information collected in connection with this application to Federal, state, local, tribal or nonprofit organizations (e.g. Red Cross Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my/our SBA application, evaluating eligibility for additional assistance, or notifying me of the availability of such assistance.

I/We will not exclude from participating in or deny the benefits of, or otherwise subject to discrimination under any program or activity for which I/we receive Federal financial assistance from SBA, any person on grounds of age, color, handicap, marital status, national origin, race, religion, or sex.

I/We will report to the SBA Office of the Inspector General, Washington, DC 20416, any Federal employee who offers, in return for compensation of any kind, to help get this loan approved. I/We have not paid anyone connected with the Federal government for help in getting this loan.

CERTIFICATION AS TO TRUTHFUL INFORMATION: By signing this application, you certify that all information in your application and submitted with your application is true and correct to the best of your knowledge, and that you will submit truthful information in the future.

WARNING: Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

I hereby certify **UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES** that the above is true and correct.

[Click for additional statements required by laws and executive orders](#)

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