
The Economic Injury Disaster Loan Program



For business owners affected by the COVID-19 pandemic, the SBA offers the Economic Injury Disaster Loan Program to help provide much-needed cash flow and liquidity to continue operations.

Who is eligible for the loan?

The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans to help overcome the temporary loss of revenue they are experiencing. Businesses eligible for this loan to include:

- Business entities with 500 or fewer employees
- Sole proprietorships, with or without employees
- Independent contractors
- Cooperatives and employee-owned businesses
- Tribal small businesses
- Private non-profits of any size

Additionally, you must have been in business as of January 31, 2020.

What are the terms of the loan?

The loan amount can be up to \$2 million and can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses and 2.75% for non-profits.

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.

Additionally, small business owners are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. 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.

How to apply for the loan

The Economic Injury Disaster Loan is administered directly through the SBA instead of a third party lender. You can apply for a loan online at www.sba.com/disaster. If you have questions, you can contact the SBA disaster assistance customer service center at 1-800-659-2955 or e-mail disastercustomerservice@sba.gov.

Additional Considerations

If you are considering the Economic Injury Disaster Loan, you might also want to consider the Paycheck Protection Program. This program provides a forgivable loan to small businesses and certain non-profits with fewer than 500 employees to help cover the costs of payroll, healthcare benefits, mortgage interest, rent, utilities and interest on other debt. The loan amount can be up to 2.5 times the average monthly payroll, not to exceed \$10 million. Because of its importance and complexity, we have provided separate, detailed information on the Paycheck Protection Program

Next Steps

If you have questions or would like to discuss these financing options for your business, please give us a call.



About Your Firm LLC

We have hand-picked a team with tax, auditing, accounting, business and management advisory expertise in a multitude of fields, including healthcare, professional-services firms, commercial contractors, home builders, real estate companies, manufacturing and distribution companies, dealerships, non-profit organizations and pension funds.

We have the expertise and the resources to provide not only the critical services you need during these evolving economic times, but also, importantly, to build for the future. Our strategic alliances with professional organizations across the country allow us to bring our clients the talent and expertise of national firms with the high-touch service of a local firm. While we remain focused on the core services of tax, accounting and audit, we expand and offer you the business consulting needed to remain competitive. We believe the success of our clients is the greatest measure of our own.



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