

## **ECONOMIC INJURY DISASTER LOAN (EIDL) PROGRAM** **FREQUENTLY ASKED QUESTIONS**

### **What is an EIDL loan?**

An EIDL loan is funding intended to help support small businesses negatively impacted by the COVID-19 national health emergency. These loans are attractive to businesses due to their relatively low interest rates, long repayment period, and payment deferral options. They were created through congressional action in April 2020, which approved \$50 billion dollars for the EIDL program.

### **Where can I apply for an EIDL loan?**

Eligible businesses can apply for an EIDL loan [HERE](#).

### **Can I still apply for an EIDL loan?**

Yes, eligible applicants may still apply for an EIDL loan. On June 15, 2020 the Small Business Administration (SBA) reopened the EIDL application and advance portal for new applications from qualified businesses. Businesses that have not previously applied may now apply.

### **Am I eligible to receive an EIDL loan?**

In order to receive an EIDL loan a business must:

- Be adversely impacted by the COVID-19 pandemic
- Be a sole proprietorship, independent contractor, self-employed person, private non-profit organization or 501(c)(19) veterans organization affected by COVID-19. This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19.

### **Do EIDL loans have to be paid back?**

Yes, EIDL loans must be repaid in full based on the terms and conditions of the applicant's loan approval and amount.

### **What are the EIDL loan terms?**

EIDL loan terms will vary based on the individual's application but will be within the following parameters:

- Maximum amount of \$2,000,000
- Proceeds must be used for working capital needs such as fixed debt and payroll
- Interest rate of 3.75% for businesses and 2.75% for nonprofits
- Loan term of up to 30 years, depending on the needs of the borrower
- Automatic one-year deferment on repayment so the first payment is not due for a full year

### How does the SBA decide how much money I will receive?

The SBA will calculate economic injury according to a couple of different formulas spelled out in the Disaster Loan Standard Operating Procedures. According to the SBA, “economic injury” is defined as:

“A change in the financial condition of a small business concern, small agricultural cooperative, small aquaculture enterprise, or PNP of any size (excluding religious organizations) attributable to the effect of a specific disaster, resulting in the inability of the concern to meet its obligations as they mature, or to pay ordinary and necessary operating expenses. Economic injury may be reduced working capital, increased expenses, cash shortage due to frozen inventory or receivables, accelerated debt, etc.”

### Where can I find more information on EIDL loans?

More information on the EIDL program can be found on the [EIDL Website](#), [EIDL Advance Grants and through the EIDL FAQs](#).

### Who do I contact if I need help getting an EIDL loan?

If you have questions about your individual situation or application, we recommend you call SBA Disaster Assistance at 1-800-659-2955 or contact them via email at [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). The call center is currently open Monday–Sunday, 8a.m. – 8p.m. ET.

**Legal and Financial Disclaimer:** *The information above is meant to serve as an educational summary of federal loan and grant programs related to COVID-19. It does not constitute or substitute legal or financial advice. Interested parties should continue to consult their legal and financial professionals.*

**Note about AAOS Help and Services:** *Unfortunately, the Academy is unable to help with individual applications or paperwork required for obtaining relief funds. For related questions or comments about the programs, please email the Office of Government Relations at [dc@aaos.org](mailto:dc@aaos.org).*