

## Small Business Loan Programs

Updated 4/3/20

**NOTE: Given the fluid nature of the guidance, please confirm this information with your lending institution.**



	Economic Injury Disaster Loan Program	7(a) Loan Program
<b>Effective Date</b>	Effective following disaster declaration (as of March 23, 2020, effective for all US states and territories)	Effective following passing of CARES Act
<b>Covered</b>	Small business owners in all US states and territories	Businesses, non-profit organizations, veterans organizations, Tribal businesses, sole proprietors, independent contractors, and self-employed individuals
<b>Exceptions</b>	Applicants who have not complied with the terms of previous SBA loans may not be eligible	
<b>Eligibility</b>	Business that has been financially impacted as a direct result of the Coronavirus (COVID-19) since January 31, 2020	Businesses that employ not more than 500 employees or the applicable size standard for the industry as determined by SBA, if higher.
<b>Benefit Provided</b>	Economic Injury Disaster Loan up to \$2 million	7(a) Loan up to \$10 million; Loan amount is determined by a formula utilizing payroll costs incurred by the business
<b>Cap on Benefits Provided</b>	Long-term repayments up to a maximum of 30 years	Long-term repayments up to a maximum of 10 years
<b>Loan Forgiveness</b>		Loan is eligible for forgiveness equal to the amount spent by borrower during an 8-week period after the origination of the loan on payroll costs, interest payments on debt, payment of rent, and payment for utility services The loan forgiveness amount will be reduced if during the 8-week period after origination of the loan there is a reduction in the number of employees or there is a reduction in salary in excess of 25% of compensation of any employee
<b>Interest Rate</b>	3.75% for small businesses; 2.75% for private non-profit organizations	Maximum interest rate of 1%
<b>Other Requirements</b>	Deadline for application is December 21, 2020	A good faith certification is required that the loan is necessary due to the uncertainty of current economic conditions caused by COVID-19 and that funds will be used to retain workers and maintain payroll, lease, and utility payments
<b>Implementation Considerations</b>	Applicants may apply online, receive disaster assistance information, and download applications at <a href="https://disasterloan.sba.gov/ela">https://disasterloan.sba.gov/ela</a> . They can call SBA's Customer Service Center at 1-800-659-2955 or email <a href="mailto:disastercustomerservice@sba.gov">disastercustomerservice@sba.gov</a> for more information.	SBA 7(a) Loan is made directly by a private lender.

**Sources:**

<http://sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

CARES Act

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