

U.S. Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL)

Loan Details

The SBA Economic Injury Disaster loan provides up to a \$2 million loan for a small businesses that has experienced an economic injury as a result of COVID-19 to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster. Loan amounts will be based on a business's economic injury and financial needs.

- The loans are not intended to replace lost sales or profits, rather they are intended to pay fixed debts, payroll, accounts payable, and other expenses that could have been paid had the disaster not occurred.
- SBA will consider estimated financial losses versus the prior year, the length of time the business will be impacted, and the type of business to determine if the economic injury is considered substantial.
- The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- 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.

Who is Eligible?

Small Businesses, small agricultural cooperatives, and most private nonprofit organizations located in any county in Illinois. The business may be a sole proprietorship, partnership, corporation, or any other legal form.

A small business is defined either based on its average number of employees or average annual receipts. Most manufacturing companies with 500 employees or fewer, and most non-manufacturing businesses with average annual receipts under \$7.5 million, will qualify as a small business. Most bars and restaurants under \$8,000,000 in average annual revenue over the last three years are eligible. You can look up whether your particular business is considered small according to the SBA here:

<https://www.sba.gov/size-standards/>

As a part of the loan process, businesses must be able to demonstrate that they are unable to obtain credit elsewhere.

For more information, please visit: <https://www.sba.gov/blog/does-your-small-business-qualify>

How to Apply?

Businesses will be able to apply directly with the SBA online, and assistance will be available at all Illinois Small Business Development Centers, through DCEO's [Team RED](#) and thorough the [Office of Minority Economic Empowerment](#). Businesses can locate their nearest Small Business Development Center [here](#).