

SBA DISASTER RELIEF ECONOMIC INJURY DISASTER PROGRAM (EIDL)

The U.S. Small Business Administration is offering low-interest federal disaster loans for **working capital** to small businesses suffering substantial economic injury because of the Coronavirus (COVID-19). SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance (\$25,000 unsecured max) and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. Businesses in all 46 counties in South Carolina are eligible to apply.

ACCEPTABLE USES OF THE LOAN PROCEEDS: These loans may be used to pay:

- Fixed debts (Existing loan payments but also business rent)
- Payroll
- Accounts payable
- Other bills that cannot be paid because of the disaster's impact.
- These loans are not intended to replace lost sales or profits or for expansion and cannot be used for loan consolidation.

INTEREST RATE: The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.

REPAYMENT TERMS: 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.

CRITERIA USED FOR LOAN APPROVAL:

- **Credit history** – Applicants must have a credit history acceptable to SBA.
- **Repayment** – SBA must determine that the applicant business has the ability to repay the SBA loan.
- **Eligibility** – The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy for other reasons. **In other words**, the borrower must show how the current situation has negatively affected their business and cannot use the funds to cover losses not connected to the virus.
- **Collateral** - Collateral is required for all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

TURNAROUND TIME: The SBA anticipates a turnaround time of 18-21 days after the application is submitted. This timeframe may vary based upon the number of applications received by the SBA.

APPLICATION FILING DEADLINE: December 18, 2020

HOW TO APPLY: Applicants are encouraged to apply online for a disaster loan. The website address is (<https://disasterloan.sba.gov/ela/>). Paper loan applications can be downloaded from www.sba.gov/disaster. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155. If they do not have access to a computer or smartphone, please call us at 1-800-659-2955 for assistance.

LOAN ELIGIBILITY RESTRICTIONS:

Noncompliance – Applicants who have not complied with the terms of previous SBA loans may not be eligible. This includes borrowers who did not maintain required flood insurance and/or hazard insurance on previous SBA loans. **Note:** Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility

ASSISTANCE WITH APPLICATION: Applicants are being asked to contact their local SDBC office for assistance with the application process at <https://www.scsbdc.com/locations>.

QUESTIONS: For questions, please contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.