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# ECONOMIC INJURY DISASTER LOAN (EIDL)

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A GUIDE FOR CONSULTANTS ON THE  
U.S. SMALL BUSINESS ADMINISTRATION EIDL LOAN



RESPONSE TO COVID-19  
FOR EXISTING BUSINESSES

MORE INTERNAL RESOURCES  
[OCIESMALLBUSINESS.ORG/STYLEGUIDE/CONSULTANTTOOLBOX](https://OCIESMALLBUSINESS.ORG/STYLEGUIDE/CONSULTANTTOOLBOX)  
PASSCODE: ociesbdc

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# SBA Economic Injury Disaster Loan

If the client has suffered substantial economic injury and is one of the following types of businesses located in a [declared disaster area](#), the client may be eligible for an SBA Economic Injury

Disaster Loan (EIDL):

- Small Business
- Small agricultural cooperative
- Most private non-profit organizations

## Know Before You Start...

We strongly encourage clients to complete all of the necessary forms before you begin. Try not to leave any areas for later. We would like to also manage expectations: it is NOT a quick process.



# ABOUT The EIDL Loan

## The business must be experiencing a business loss due to COVID-19

- ▶ Entities may qualify for loans up to \$2 million
- ▶ **Maximum unsecured loan amount** is \$25,000
- ▶ **Interest rates:** 3.75% for small business; 2.75% for private nonprofits
- ▶ **Term** – up to 30 years
- ▶ **Use of Funds:** working capital, paying fixed debts, payroll, accounts payable, other bills that could have been paid had the disaster not occurred
- ▶ Loans are NOT intended to replace lost sales or profits or for expansion  
There is no obligation to take the loan if offered
- ▶ Applicants can have an existing SBA loan or other SBA loan and still qualify for this disaster loan. Loans cannot be consolidated.

## Credit Requirements

- ✓ Credit Score (roughly around 650 and above)
- ✓ Proven ability to repay the loan
- ✓ Collateral for loans over \$25,000

# Let's get started

## CLIENT MUST SETUP A LOGIN

Username & password required at the SBA loan application program: <https://disasterloan.sba.gov/ela>

## Forms You'll Need

### **SBA FORM 5 [ OR FORM 5 C for Sole Props ]**

Completed SBA loan application (SBA form 5). F for sole proprietors/home-based businesses, fill out Form 5c.

### **IRS form 4506-T**

IRS Form 4506-T completed and signed by Applicant business, each principal owning 20% or more of the applicant business, each general partner or managing member and, for any owner who has more than a 50% ownership in an affiliate business.

(Affiliates include parent company, subsidiaries, and/or businesses with common ownership or management).

### **CORPORATE AND PERSONAL FEDERAL INCOME TAX RETURN**

Completed copies of the most recent business and personal federal income tax returns – all pages.

### **SBA FORM 2202**

Schedule of Liabilities (SBA form 2202)

### **SBA FORM 413D**

Personal Financial Statement (SBA form 413D) - each principal owning 20% or more of the applicant business, each general partner or managing

## OTHER INFORMATION MAY BE REQUESTED LIKE:

- ▶ Personal federal income tax returns for each principal owning 20% or more of the applicant business, each general partner or managing member, and each affiliate.
- ▶ If you do not have completed 2019 business tax returns, submit year-end profit and loss statement and balance sheet for 2019.
- ▶ Current year-to-date profit and loss statement
- ▶ Monthly Sales Figure ([SBA form 1368](#))
- ▶ Statement of Personal History ([SBA form 912](#))
- ▶ Supporting Information ([SBA form P-019](#))