

ECONOMIC INJURY DISASTER LOANS (EIDL)

FRANK SILVERMAN, MAIA EXECUTIVE DIRECTOR

Economic Injury Disaster Loans, are low-interest working capital loans designed to help small businesses in disaster-affected areas meet their financial obligations such as payroll, fixed debts, and accounts payable.

PROGRAM OVERVIEW:

- Loans can be made for up to \$2M
 - The term is up to 30 years
 - Interest Rates are 3.75% for small business and (2.75% for non-profits)
 - There are no loan fees, guarantee fees or prepayment fees
 - The first month's payments are deferred a full year from the date of the promissory note
 - EIDLs can be approved by the SBA based solely on an applicant's credit score, not repayment ability
 - No tax return is required
 - A prior bankruptcy doesn't disqualify you
 - EIDLs smaller than \$200,000 can be approved without a personal guarantee
 - The SBA is not requiring real estate as collateral and will take a general security interest in business property
 - Borrowers can receive \$10,000 in an emergency grant cash advance that can be forgiven if spent on paid leave, maintaining payroll, increased costs due to supply chain disruption, mortgage or lease payments or repaying obligations that cannot be met due to revenue loss
- Applicants may be approved for the \$10,000 emergency money, even applicants who are denied any other loans or additional money
 - The CARES ACT waives the requirement that you should be unable to obtain credit elsewhere
 - You can apply even if you already have a credit line
 - Access to EIDLs has been expanded to now include sole proprietors or independent contractors, as well as tribal businesses, cooperatives, and ESOPs with fewer than 500 employees and all non-profits including 501(c)(6)s
 - You have to have been in business by January 31, 2020 to qualify, so you can't start a business now and receive this kind of grant
 - The SBA has already begun processing applications and it is important you apply sooner than later because the money will run out

HOW TO APPLY:

- Visit <https://covid19relief.sba.gov> and complete the online application

Both the EIDL and Paycheck Protection Program loans can be applied for. However, the proceeds from each MUST BE USED FOR DIFFERENT PURPOSES.

MARTIAL ARTS INDUSTRY ASSOCIATION

