SBA Disaster Loans: Background
The Small Business Administration (SBA) Economic Injury Disaster Loans (EIDL) program supports small businesses facing temporary loss of revenue as well as working capital. They can be used to pay debts, including payroll, accounts payable, and other bills that cannot be paid due to a disaster. Under the program, the SBA can provide up to $2 million to small businesses that cannot meet financial obligations and operating expenses that could have been met had the disaster not occurred. Loan amounts are based on the actual economic injury and the company’s financial needs, and interest rates.

Response to COVID-19
In its first of several COVID-19 related relief bills, the U.S. Congress appropriated an additional $20 million dollars for SBA Disaster Loans, and clarified that the COVID-19 pandemic qualifies as such a disaster. Accordingly, the SBA is now offering the low-interest loans to small businesses (500 or fewer employees) impacted by COVID-19 in designated disaster areas for working capital. (You can find a list of designated disaster areas here.) However, before a state qualifies for the program, the Governor must submit documented business losses for at least five businesses per county, and request approval from the SBA.

How to Apply for an SBA EIDL
Applications can be submitted online here for SBA EIDLs. In addition to completing a loan application, businesses must provide a signed and dated IRS Form 4506-T, giving permission for the IRS to provide the SBA its tax return information.

SBA Resources
SBA Economic Impact Disaster Loan Page
SBA Disaster Assistance Customer Service Center: 1-800-659-2955
E-mail: disastercustomerservice@sba.gov