

SBA Economic Injury Disaster Loans (EIDL)

The SBA is offering federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the coronavirus. These are available now, and all states in the Pinnacle footprint are eligible for these loans related to the pandemic.

These loans come directly from the SBA, and applications will be made through the SBA, not Pinnacle. Still, your Pinnacle financial advisor can answer your questions, help you gather the required materials and help determine how this fits into your overall needs.

Details & Terms

- Available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations
- Loans up to \$2 million
- Can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact
- Interest rate for businesses without credit available elsewhere: 3.75% APR
- Interest rate for nonprofit organizations: 2.75% APR
- Long-term repayments, up to 30 years for some borrowers
- Other terms determined on a case-by-case basis

Criteria for Approval

- Credit History – Applicant must have a credit history acceptable to SBA.
- Repayment – SBA must determine that the applicant business has the ability to repay the SBA loan.
- Collateral
- Loans over \$25,000 require collateral; below \$25,000 do not
- Loans will not be declined because of a lack of collateral but will require borrowers to pledge what is available
- SBA takes real estate collateral when possible

Eligibility

- Size (must be a small business), type of business and financial resources requirements
- Must have suffered working capital losses due to the declared disaster, not due to an unrelated downturn in the economy or other reasons

How to Apply

The EIDL program comes directly through the SBA. Application can be made online at <https://disasterloan.sba.gov/ela>.

Filing electronically is easier, faster and more accurate. However, the volume of applications is overwhelming, and the online experience is slow and becoming more unreliable. If you have trouble applying online, you can print a paper application and required forms from the link above and overnight them to the SBA office in Ft. Worth, TX. The address is also at the link above. They can also be faxed to 202-481-1505 or scanned and sent by email to ELA.doc@SBA.gov.