

# SBA Economic Injury Disaster Loan (EIDL):

## Why this option

### Fast cash with \$10K cash advance grant

You can request for a \$10,000 cash advance grant as part of EIDL, which will be processed in 3 days. You do not need to pay this amount back if used for payroll. And if your loan is denied, you do not need to pay the \$10,000 back.

### Get access to funds

- Borrow up to \$2M
- Cash can help sustain your business operations

### Payment Deferred for 12 months

Principal and interest payments on the loan may be deferred for 12 months.

### Keep your employees

You get to keep your employees, and they get to keep their health benefits. Plus you don't have to rehire when business starts picking back up.

## How it works

An EIDL can help you cover payroll and other operating expenses to keep your business running.

Here are key points:

- Rate: 3.75% interest for businesses; 2.75% for nonprofits
- Repayment term up to 30 years, determined by your ability to repay the loan
- May require collateral for loan amts > \$25K
- When you apply, request \$10,000 as an emergency grant. You will not need to repay the grant if your loan app is denied.
- You can apply for both PPP and EIDL but funds cannot be used for same purpose
- While an EIDL can be refinanced into a PPP loan, the EIDL does not have the same loan forgiveness provisions as the PPP.

### When to apply:

Applications are being accepted from now until 12/31/20. For details on how to apply, [click here](#).

## Example

Your restaurant needs fast cash for payroll because revenues have significantly dropped.

You can apply for an EIDL and request a \$10,000 cash advance grant. Three days later, you receive the \$10,000 and use it for payroll.

Couple weeks later, you are advised that your loan was denied. You do not need to pay the \$10,000 back.

Alternatively, you are advised that your loan was approved for \$10,000. Payments will be deferred for 12 months and you can also consider refinancing the loan under the PPP.