

Frequently Asked Questions

If I am applying or already received an Economic Injury Disaster Loan, is my small business eligible to participate in the Paycheck Protection Program?

- Borrowers can apply for BOTH an Economic Injury Disaster Loan and the Paycheck Protection Program loan.
- However, the Paycheck Protection Program loan funds and the Economic Injury Disaster Loan funds cannot be used for the same purpose.
- The Paycheck Protection Program loan must be used for payroll (minimum of 75% of the funds received) for it to be eligible for a forgivable loan and the remaining 25% is used for different purposes (mortgage interest, rent, utilities, other services).
- Borrowers who accept both loan funds should document the uses of the funds appropriately.
- If your Economic Injury Disaster Loan was used for payroll costs, your Paycheck Protection Program loan must be used to refinance your Economic Injury Disaster Loan.
- Any advance up to \$10,000 on the Economic Injury Disaster Loan will be deducted from the loan forgiveness amount of the Paycheck Protection Program loan.
- For example, a borrower may obtain a loan from the Paycheck Protection Program and use those funds to pay for 8 weeks of payroll or employee retention. They may wish to then dedicate their entire EIDL funds towards working capital, notes payable and accounts payable that do not duplicate the funds provided through the Paycheck Protection Program. If the EIDL loan was used for payroll expenses, the borrower must refinance the EIDL loan with the PPP loan which carries a lower interest rate as well as a shorter maturity period.
- If you are applying for both, you can accept PPP first – then decide whether or not to close on your EIDL approved loan.
- The application period for PPP loans runs through June 30, 2020, but the EIDL application period runs through December 2020.
- EIDL Loan advances will start to be distributed this week. \$1000 per employee up to \$10,000 max
- EIDL Loans - IF YOU DID NOT APPLY THROUGH THE STREAMLINED PROCESS WHICH STARTED LAST WEEK, SBA request that you visit <https://covid19relief.sba.gov/#/> and reapply with the secure streamlined process. You will not lose your place in queue with your original EIDL loan application.
- EIDL loans will not require a personal guarantee for loans under \$200,000
- EIDL loans will not require real estate collateral for loans under \$500,000. SBA will be looking be best available lien priority on all business assets or other business assets.



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Administration