



U.S. Small Business  
Administration

# COVID EIDL CHANGES

August 2021

# What is COVID EIDL?

- Economic Injury Disaster Loan
- COVID EIDL is different from regular EIDL
- Dedicated funding
- Intended for businesses in operation as of 2019 – this is not for start up capital. This is to help a business recover.
- Why apply? – Only program left to help

# COVID EIDL 2.0 changes

|                    | COVID EIDL 2.0   |
|--------------------|--|
| Interest + Term    | 3.75% (2.75% nonprofit)<br>30 years  |
| Deferment          | 24 months as of the original loan closing date   |
| Use of Funds       | <ul style="list-style-type: none"> <li>Working capital, Payroll, Rent, Maintenance etc.               <ul style="list-style-type: none"> <li>Normal operating expenses</li> </ul> </li> <li><b>Pre-payment (commercial, credit card, etc.)</b></li> <li><b>Principal &amp; Interest (debt owned by federal gov't)</b></li> </ul> |
| Cap                | <b>\$2 million</b>   |
| Qualification      | <p>Economic Injury Formula: <math>(2019 \text{ revenue} - 2019 \text{ Cost of Goods Sold}) \times 2 = \text{max loan amount (up to \\$2 million)}</math></p> <p>Calculation is 24 months of the business' gross margin</p>   |
| Credit Score       | Minimum of 570   |
| Eligibility        | <ul style="list-style-type: none"> <li>&lt;500 employees</li> <li><b>Affiliation requirements mirror PPP and RRF</b></li> </ul>  |
| Personal Guarantee | Loans for more than \$200K require personal guarantee by all 20% or more owners and all general partners/managing members  |
| Collateral         | Loans more than \$25K require business collateral (does not require real estate OR personal collateral)  |

# What you need to apply

## If you've already applied and need an increase:

- Sign into portal & request an increase
- Sign & submit 4506T\*
  - \*You MUST match the 2019 address used in IRS filings
- Respond to SBA email asking for loan increase amount

## If you're a brand-new applicant:

- SBA.gov's COVID EIDL page
- Business info, owner info, bank info

# Additional Resources

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- Customer Service Center: 1-800-659-2955 Operation Hours: 8 am to 8 pm ET Monday through Friday.
- Subscribe to the SBA's e-newsletter: [www.sba.gov/updates](http://www.sba.gov/updates)
- Follow the SBA on Twitter: [@SBAgov](https://twitter.com/SBAgov)
- For local assistance: [www.sba.gov/local-assistance](http://www.sba.gov/local-assistance) and [www.sba.gov/asistencia-local](http://www.sba.gov/asistencia-local)
- For more information about all SBA programs and services visit: [Small Business Administration \(sba.gov\)](http://Small Business Administration (sba.gov))