

Economic Injury Disaster Loans

Small businesses, small agricultural cooperatives, and most private nonprofit organizations located in a declared disaster area and which have suffered substantial economic injury may be eligible for an SBA Economic Injury Disaster Loan (EIDL).

Eligibility

- Substantial economic injury means the business is unable to meet its obligations and pay its ordinary and necessary operating expenses.
- EIDL provides the necessary working capital to help small businesses impacted by a disaster survive until normal operations resume.
- EIDL assistance is available only to small businesses when SBA determines they are unable to obtain credit elsewhere.

SBA can provide up to \$2 million* to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. The loan amount will be based on your actual economic injury and your company's financial needs, regardless of whether the business suffered any property damage.

*A business may qualify for, both, an EIDL and a physical disaster loan.

The maximum combined loan amount is \$2 million. A separate SBA Disaster Assistance program known as business physical disaster loans covers property damage.

Use of Proceeds

Working capital and normal expenses such as the continuation of health care benefits, rent, utilities, and fixed debt payments

Terms

- First payment deferred for 12 months
- No interest accrual for the first 12 months
- The interest rate will not exceed 4%

Maturity

- Up to 30 years, with repayment term to be determined by ability to repay the loan
- No pre-payment penalty or fees

Collateral Requirements

- Required for loans over \$25,000
- Real estate is the preferred collateral. Loans of \$200,000 or less will not require the owner of the business to use their primary residence as collateral if it is determined the owner has other assets of equal quality and a value equal to or greater than the amount of the loan.

How to Apply

Apply online for an SBA disaster assistance loan. SBA will send an inspector to estimate the cost of damage, once your application is completed and submitted

Need help navigating the application Process?

Visit www.iowasbdc.org and request counseling!

