

# ECONOMIC INJURY DISASTER LOAN (EIDL)

Applying for the  
U.S. Small Business  
Administration's  
EIDL program

ADVOCACY FAQ SHEET: APPLYING FOR LOANS

APPLY HERE

## WHAT IS AN ECONOMIC INJURY DISASTER LOAN?

EIDLs are low-interest loans issued directly by the U.S. Treasury Department of up to \$2 million that are available to pay for expenses—including payroll and other operating expenses—that could have been met had the disaster not occurred. The first payment is deferred for 12 months.

The CARES Act also allows for emergency advances of up to \$10,000 based on number of employees for small businesses and private non-profits, including cooperatives. The form to apply for an advance is part of the [online EIDL application](#). Advances will be disbursed rapidly and do not require repayment.

## WHAT CAN EIDL FUNDS BE USED FOR?

EIDLs are intended to replace working capital to keep employees on the payroll and meet operational expenses. Eligible uses of the funds include—but are not limited to—payroll, sick leave, increased production costs due to supply chain disruptions, and payment of business obligations including debts, rent and mortgage payments.

## WHAT TYPES OF COOPERATIVES ARE ELIGIBLE?

All cooperative businesses are eligible for EIDLs. There is an option on the first page of the [online application](#) that allows a business to identify as a cooperative (choose “Applicant is a cooperative with not more than 500 employees”).

## IN A COOPERATIVE, WHO SHOULD COMPLETE THE APPLICATION?

The president or an executive of the co-op should complete the application on behalf of the organization.



**THE APPLICATION ASKS FOR A LIST OF OWNERS WITH 20% OR GREATER OWNERSHIP STAKE. HOW SHOULD MY CO-OP COMPLETE THIS SECTION?**

Co-ops can list the name of the cooperative in this section. Then, include more detailed information about the co-op's ownership in the "additional information" section of the application.

**WHAT ARE THE TERMS OF THE LOAN?**

EIDLs have a 30-year term with 3.75% interest for small businesses and 2.75% for non-profits.

**IS MY START-UP ELIGIBLE?**

A business that was in the process of starting operations and had purchased fixed assets, inventory, etc., and was subsequently damaged or destroyed by the disaster is eligible. This is true even if that business had not actually "opened its doors" prior to the disaster. Acceptable documentation includes 1.) Receipts or contractual agreements for inventory or machinery and equipment purchases; and 2.) Advertisements, employment classified ads, etc.

**CAN EIDLs BE COMBINED WITH THE NEW PAYCHECK PROTECTION PROGRAM?**

Yes, an EIDL can be refinanced under a PPP loan. The funds may not be used for the same purposes. You should work with your PPP lender to refinance this loan.

**WHO AT SBA SHOULD I REACH OUT TO IF I HAVE ADDITIONAL QUESTIONS?**

Send an email to [focecovid-19eidl@sba.gov](mailto:focecovid-19eidl@sba.gov).

**WHERE ELSE CAN I GO FOR ASSISTANCE?**

Find your local SBA District Office here: <https://www.sba.gov/local-assistance/find/>

*The U.S. Small Business Administration is making reforms to the EIDL program on an ongoing basis due to unprecedented demand. More information is available at [sba.gov](https://www.sba.gov).*

