



U.S. Small Business
Administration

Economic Injury Disaster Loans

Agricultural Producers

As of 5/4/2020

Economic Injury Disaster Loans

The U.S. Small Business Administration is offering low-interest, long-term federal disaster loans for working capital to small businesses and private, nonprofit organizations suffering substantial economic injury as a result of the Coronavirus (COVID-19) to all .

Upon a request received from a state's or territory's Governor, SBA issued under its own authority an Economic Injury Disaster Loan declaration.*



Administrator Jovita Carranza

**As provided by the Coronavirus Preparedness and Response Supplement Appropriations Act that was recently signed by the President.*

Economic Injury Disaster Loans

- Beginning May 4, 2020, SBA will accept new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications on a limited basis only, in order to provide unprecedented relief to U.S. agricultural businesses. The application is available at: www.SBA.gov/Disaster.
- At this time, only agricultural business, i.e. agricultural producer, applications will be accepted due to limitations in funding availability and the unprecedented submission of applications already received.
- For agricultural businesses that submitted an EIDL application through the streamlined application portal prior to the legislative change, SBA will process these applications without the need for re-applying.

Economic Injury Disaster Loans

- The new eligibility is made possible as a result of the latest round of funds appropriated by Congress in response to the COVID-19 pandemic.
 - Agricultural businesses includes those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).
 - SBA is encouraging all eligible agricultural businesses with 500 or fewer employees wishing to apply to begin preparing their business financial information needed for their application.

Economic Injury Disaster Loans

How much can a business borrow?

- SBA will determine your loan amount based on working capital needs
- Interest rates:
 - 3.75 percent for small businesses
 - 2.75 percent for nonprofit organizations
- Terms up to 30 years.
- Payments deferred for 1-year

How can loan funds be used?

- Working capital loans
- Pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred
- Not intended to replace lost sales/profits or for expansion

Economic Injury Disaster Loans

What are the collateral requirements?

- Economic Injury Disaster Loans over \$25,000 require collateral, if available
- General Security Interest (UCC) in business assets used to secure loans over \$25,000
- SBA will not decline a loan for lack of collateral

Important information

- Apply online at www.SBA.gov/Disaster
- No cost to apply
- No obligation to take the loan if offered
- Borrowers with current SBA loans, including existing SBA Disaster Loans, are eligible for Economic Injury Disaster Loans if they meet the criteria but they cannot be consolidated

Economic Injury Disaster Loans

Example of Information Requested for Application

- Self certify that business is an agricultural enterprise with not more than 500 employees
- Business legal name, trade name, EIN or SSN for sole prop, organization type, business activity, number of employees
- For the 12-month period prior to January 31, 2020:
 - Gross Revenues
 - Cost of Goods Sold
 - Cost of Operation, i.e. operating expenses
- Compensation from other sources (reduces loan amount)

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Advances

- Must check that you would like to be considered for Advance of up to \$10,000 (towards end of application)
- Provide bank account information where funds will be deposited
- Amount of Advance is determined by number of employees; \$1,000 per employee up to a maximum of \$10,000
- Advance does not have to be paid back, and you do not have to qualify for loan to receive Advance
- Advance will be subtracted from PPP forgiveness

Questions?

**[SBA.gov/Disaster](https://www.sba.gov/disaster) or
[SBA.gov/Coronavirus](https://www.sba.gov/coronavirus)**