

Financial Support for Struggling DD Providers

Small Business Administration (Forgivable Loans) *Economic Injury Disaster Loan – Emergency Advances*

The following information about the recently-passed federal coronavirus business relief efforts was compiled on April 3, 2020 from various sources. OACB does not claim original authorship of this information.

1. What are Economic Injury Disaster Loans?

EIDLs are 7(b)(2) Small Business Administration (SBA) loans. These loans can be used to cover the temporary loss of revenue related to the COVID-19 pandemic. Eligible loan applicants may request an advance on the loan of up to \$10,000, which they will receive within days of their application. This advance does not need to be repaid, even if the applicant is subsequently denied the loan. If the borrower transfers into or is approved for a loan under section 7(a) (such as the Paycheck Protection Act loan program), the advance amount will be reduced from the loan forgiveness amount for that 7(a) loan.

2. How does a provider apply for these funds?

A business can start the application process online through the SBA website, covid19relief.sba.gov/.

3. What kinds of businesses qualify for these funds?

Businesses with fewer than 500 employees or businesses that are considered small for their industry, sole-proprietorships, and independent contractors.

4. Is there a maximum amount of money a provider can apply for?

The maximum size of an advance is \$10,000, but total loan amounts under the EIDL program (and the Paycheck Protection Act program) can be larger.

5. Are these loans restricted to for-profit businesses, or can non-profit businesses apply for these loans?

501(c)(3) organizations are eligible to apply.

6. Are the loans restricted to cover only certain types of expenses? If so, what are they?

In general, the loans can cover: providing paid sick leave to employees unable to work due to the direct

effect of COVID-19, maintaining payroll to retain employees, meeting increased costs due to supply chain interruptions, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses.

7. What are the conditions of the loans?

A borrower must self-certify their eligibility under penalty of perjury. The online eligibility form on the SBA website will help business owners determine their eligibility and make the appropriate certifications. This form takes a little over 2 hours to complete.

8. How fast will a decision be made on a provider's loan application?

Loan advances should be available within days of submitting a loan application under the program. Advances do not need to be repaid. Loans converted to 7(a) loans would be eligible for forgiveness under that program.

Updates and Additional Information

This document will be updated as necessary to reflect the latest information available. **Additional questions and concerns should be emailed to covid19@oacbdd.org for possible inclusion in this FAQ document.** Thank you for your continued support and collaboration during this public health response.