

## **Small Business Debt Relief Program**

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

### **FREQUENTLY ASKED QUESTIONS**

**QUESTION: Which SBA loans are eligible for debt relief under this program?**

Answer: 7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible (see [p. 7](#) for more information on these).

**QUESTION: How does debt relief under this program work with a PPP loan?**

Answer: Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.

**QUESTION: How do I know if I'm eligible for a 7(a), 504, or microloan?**

Answer: In general, businesses must meet [size standards](#), be based in the U.S., be able to repay, and have a sound business purpose. Each program has different requirements, see <https://www.sba.gov/funding-programs/loans> for more details.

**QUESTION: What is a 7(a) loan and how do I apply?**

Answer: 7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit [this site](#) to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called [Lender Match](#) to help find a lender near you.

**QUESTION: What is a 504 loan and how do I apply?**

Answer: The [504 Loan Program](#) provides loans of up to \$5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called [Lender Match](#) to help find a lender near you.

**QUESTION: What is a microloan and how do I apply?**

Answer: The [Microloan Program](#) provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called [Lender Match](#) to help find a microlender near you.

**QUESTION: I am unfamiliar with SBA loans, can anyone help me apply?**

Answer: Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center [here](#).

## **Economic Injury Disaster Loans & Emergency Economic Injury Grants**

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you must first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

| <b>FREQUENTLY ASKED QUESTIONS</b> |   |
|-----------------------------------|---|
| <b>QUESTION:</b>                  | <b>Are businesses and private non-profits in my state eligible for an EIDL related to COVID-19?</b>   |
| Answer:                           | Yes, those suffering substantial economic injury in all 50 states, DC, and the territories may apply for an EIDL.   |
| <b>QUESTION:</b>                  | <b>What is an EIDL and what is it used for?</b>   |
| Answer:                           | EIDLs are lower interest loans of up to \$2 million, with principal and interest deferment available for up to 4 years, that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.  |
| <b>QUESTION:</b>                  | <b>Who is eligible for an EIDL?</b>   |
| Answer:                           | Those eligible are the following with 500 or fewer employees: <ul style="list-style-type: none"><li>• Small business concerns (including sole proprietorships, with or without employees)</li><li>• Independent contractors</li><li>• Cooperatives and employee owned businesses</li><li>• Private non-profits</li><li>• Tribal small businesses</li></ul>                  |
| <b>QUESTION:</b>                  | <b>My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?</b>  |
| Answer:                           | Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, <u>or</u> if you can provide satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law. |
| <b>QUESTION:</b>                  | <b>Who is eligible for an Emergency Economic Injury Grant?</b>  |
| Answer                            | Those eligible for an EIDL and who have been in operation since <b>January 31, 2020</b> .   |
| <b>QUESTION:</b>                  | <b>How long are Emergency Economic Injury Grants available?</b>   |
| Answer:                           | <b>January 31, 2020 – December 31, 2020.</b> The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant.   |

|                  |  |
|------------------|--|
| <b>QUESTION:</b> | <b>If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan?</b>   |
| Answer:          | Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP. |
| <b>QUESTION:</b> | <b>How do I know if my business is a small business?</b>   |
| Answer:          | Please visit <a href="https://www.sba.gov/size-standards/">https://www.sba.gov/size-standards/</a> to find out if your business meets SBA's small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business' 3-year average annual revenue.   |
| <b>QUESTION:</b> | <b>How do I apply for an economic injury disaster loan?</b>  |
| Answer:          | To apply for an EIDL online, please visit <a href="https://disasterloan.sba.gov/ela/">https://disasterloan.sba.gov/ela/</a> . Your <a href="#">SBA District Office</a> is an important resource when applying for SBA assistance.  |
| <b>QUESTION:</b> | <b>I am unfamiliar with the EIDL process, can anyone help me apply?</b>  |
| Answer:          | Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women's Business Center, or SCORE mentorship chapter at <a href="https://www.sba.gov/local-assistance/find/">https://www.sba.gov/local-assistance/find/</a> .  |