Eligibility Requirements
During the period beginning on January 31, 2020 and ending on December 31, 2020, the following entities are now eligible for an EIDL loan:
- A business, cooperative, ESOP, agricultural enterprise, or tribal small business concern with not more than 500 employees.
- An individual that operates under a sole proprietorship, with or without employees, or as an independent contractor.

Loan Terms
- **Amount:** Up to $2,000,000
- **Interest Rates:**
  - **Nonprofits:** 2.75%
  - **Businesses:** 3.75%
- **Term:** Up to 30 years

Allowable Uses
- Fixed debts, such as rent.
- Payroll.
- Accounts payable.
- Some bills that could have been paid had the disaster not occurred.

CARES Act Emergency EIDL Grant
- Although loans under the EIDL program are not forgiven, the CARES Act now allows for EIDL applicants to obtain an emergency advance of up to $10,000 within three (3) days.
- The emergency advance will turn into a grant, i.e., no repayment necessary, if it is used on allowable purposes, including:
  - Providing paid sick leave to employees unable to work due to the direct effect of COVID-19;
  - Maintaining payroll to retain employees during business disruptions or substantial slowdowns;
  - Meeting increased costs to obtain materials unavailable from the borrower’s original source due to interrupted supply chains;
  - Making rent or mortgage payments; and
  - Repaying obligations that cannot be met due to revenue losses.
- The emergency advance/grant will be subtracted from the forgiveness amount of your Paycheck Protection Program loan, if any.

Other Key Terms
- Eligible entities must have suffered substantial economic injury caused by a disaster and must have been in existence on January 31, 2020.
- Payments for COVID-19 EIDL loans may be deferred.
- Up to $200,000 can be approved without a personal guarantee.
- Borrowers do not have to prove they could not get credit elsewhere.
- No collateral is required for loans of $25,000 or less.
- Paycheck Protection Program prohibits borrowers from taking out two loans for the same purpose.

1 Previously, only small business concerns, certain private nonprofit organizations, and small agricultural cooperatives were eligible for loans under the EIDL program.

TO CONTACT THE SHUTTS & BOWEN COVID-19 RESPONSE TEAM, PLEASE EMAIL US AT COVID19@SHUTTS.COM OR VISIT US AT HTTPS://SHUTTS.COM/SHUTTS-BOWEN-COVID-19-RESPONSE/