

# MAKING CENT\$\$ OF STIMULUS MONEY

## Economic Injury Disaster Loans

April 8, 2021

## EIDL Stats – as of February 16, 2021

- Over 3.7 million loans issued totaling ~\$200 billion
- Almost 5.8 million grant advances issued totaling the maximum amount originally authorized of \$20 billion
- Additional \$15 billion authorized to EIDL Targeted Advance Program in American Rescue Plan Act

# EIDL Loans vs. Grants

- Loan
  - 30-year term loan
  - No 'forgiven' amount
  - 2.75% interest for non-profits
  - 3.75% interest for for-profits
  - No pre-payment penalties
  - Payments deferred for a year
- Grant
  - Do not need to re-pay
  - Open applications have been closed since summer 2020
  - Does NOT reduce PPP loan forgiveness

# EIDL Loans

- Available to small businesses, agricultural businesses, and nonprofit organizations
- Apply directly through SBA.gov website
- Deadline to apply is December 31, 2021
- \*NEW\* - Loans approved starting April 6, 2021 may be up to \$500,000 (starting in summer 2020, maximum loans offered were \$150,000)
- Can be used for working capital and normal operating expenses.
  - Cannot use these funds for expenses that are covered by other disaster assistance received.

# EIDL Loan Eligibility

- 500 or fewer employees
- Most private nonprofits
- Faith-based organizations
- Sole proprietors and independent contractors
- **INELIGIBLE:**
  - Those engaged in illegal activities, loan packaging, speculation, multi-level sales distribution, gambling, investing, and lending
  - Those that do not meet the SBA small business size standards

# Application Process

- Streamlined information request
- Follow up from @sba.gov email for additional information
- Can accept UP TO maximum amount of loan offered
- If you applied and have not heard anything, DO NOT re-apply! Contact SBA customer service:
  - 1-800-659-2955
  - disastercustomerservice@sba.gov

**APPLY HERE**

# Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

## COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

### STREAMLINED PROCESS REQUIREMENTS

<https://covid19relief.sba.gov/#/>

## EIDL Loan Increases

- SBA has begun reaching out directly to previous loan recipients who did not accept maximum amount of loan
- Applicants have up to two years after the date of loan note to request additional funds
- Collateral is required for loans over \$25,000
- Personal guarantee required for loans over \$200,000



# Targeted EIDL Advances

- No OPEN application process – the SBA will contact eligible participants and provide application instructions
  - SBA began this process in early February
  - First priority group included 2020 EIDL Advance recipients who received less than \$10,000
  - Second priority group includes organizations that applied for EIDL assistance before December 27<sup>th</sup> but did not receive funds because funding ran out
- If you haven't been contacted and believe you should have, contact SBA's Customer Service Center at:
  - 1-800-659-2955
  - [targetedadvances@sba.gov](mailto:targetedadvances@sba.gov)

# Targeting EIDL Advance Eligibility and Requirements

- Eligibility Requirements
  - 300 or fewer employees
  - Located in a [federally identified low-income community](#)
  - Demonstrate a reduction in revenue of more than 30% during an 8-week period beginning on March 2, 2020 or later
- Documents Needed
  - 2019 Federal Tax Return
  - Monthly gross receipts for each month from January 2019 through most recent month-to-date period

# Targeted EIDL Advance Additional Funding

- If funds remain after initial target program, \$5,000 supplemental grants may be issued to organizations who:
  - Suffered a revenue loss of at least 50%
  - Have 10 or fewer employees

More information to come on this



**\*EIDL Advances are 'tax-free' for Federal purposes\***

# Resources

- COVID-19 Resource Center

<https://www.wegnercpas.com/wegner-resources/covid-19/>

- SBA

<https://www.sba.gov/funding-programs/loans/covid-19-relief-options/covid-19-economic-injury-disaster-loan>

# Thank You!

Wegner CPAs  
2921 Landmark Pl., Ste. 300  
Madison, WI 53713  
(608) 274-4020

Kate Serpe, CPA, CNAP  
[kate.serpe@wegnercpas.com](mailto:kate.serpe@wegnercpas.com)

Melodi Bunting, CPA, CMA, CGMA  
[Melodi.bunting@wegnercpas.com](mailto:Melodi.bunting@wegnercpas.com)

[www.wegnercpas.com](http://www.wegnercpas.com)



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