



## **Economic Injury Disaster Loans FAQs**

### ***What agricultural businesses are eligible for the EIDL Loan and EIDL Advance programs?***

Agricultural businesses include 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)).

### ***How much can a business borrow?***

SBA will determine your loan amount based on working capital needs.

### ***What are the terms of the loan?***

- Interest rates are 3.75 percent for small businesses
- Terms are up to 30 years
- Payments are deferred for one year

### ***How can loan funds be used?***

These are working capital loans, and can be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. These loans are not intended to replace lost sales/profits or for expansion.

### ***What are the collateral requirements?***

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

### ***How do I receive an advance?***

You must check that you would like to be considered for an advance of up to \$10,000 (towards end of application). You will need to provide bank account information where the funds will be deposited. The amount of the advance is determined by number of employees; \$1,000 per employee up to a maximum of \$10,000. The advance does not have to be paid back, and you do not have to qualify for loan to receive the advance. However, the advance will be subtracted from PPP forgiveness.

## **OTHER IMPORTANT INFORMATION**

- There is no cost to apply
- There is 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





- 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)

