

Opportunity for Businesses: The COVID Economic Injury Disaster Loan (EIDL) Limit Increases by \$1.5 million to \$2 million

September 22, 2021



On October 8, 2021, the Small Business Administration (SBA) will begin approving COVID EIDL applications for loans greater than \$500,000, increasing the COVID EIDL cap to \$2 million. COVID EIDLs are loans directly from the SBA that must be repaid. Proceeds from a COVID EIDL can be used for working capital to make regular payments of operating expenses, and to pay business debt incurred at any time in the past, present, or future.

Key Provisions of the COVID EIDL Program are the following:

- Maximum amount: \$2 million per business (beginning October 8, 2021), limited to \$10 million for a corporate group
- Loan term: 30 years
- Interest rate: 3.75% fixed (2.75% for private non-profit organizations)
- Payment deferment: Payments are deferred for two years (with interest accruing), payments of principal and interest to be made over the remaining 28 years

- Collateral: required for loans greater than \$25,000
- Personal guarantee: Required for loans greater than \$200,000
- Applicants must be physically located in the United States or designated territory and must have suffered working capital losses due to the Coronavirus pandemic.

Applications must be approved by December 31, 2021 (or when funds are exhausted, whichever is sooner). Businesses should apply as soon as possible to allow for processing time.

Businesses must meet certain size requirements to be eligible for a COVID EIDL. A business must also have been in operation on or before January 31, 2020. Frequently asked questions (FAQs) regarding COVID EIDLs, including eligibility, size requirements, and affiliation rules can be found here: <https://www.sba.gov/sites/default/files/2021-09/COVID-EIDL-FAQs-090821-508.pdf>

Borrowers can apply on the SBA website: <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/eidl/covid-19-eidl>. If you have already received a COVID EIDL and would like to apply for an increase, up to \$2 million, you can apply by logging into your account through the SBA portal.

Businesses recovering from the impact of COVID-19 should evaluate all options for relief. Please contact your Anchin Relationship Partner or our [COVID-19 Resource Team](#) to see how the EIDL Program may be part of the relief available for your business.

Disclaimer: Please note this is based on the information that is currently available and is subject to change.