

# Emergency EIDL Grants

Financial relief for small businesses during COVID-19 crisis

The Small Business Administration provides disaster loans to small businesses. With the passage of the [CARES Act](#) on March 27, 2020, this program has been expanded due to the COVID-19 crisis. Section 1110 of the Act provides for “Emergency EIDL Grants” (EIDL = Economic Injury Disaster Loan). Here are some important aspects of this financial relief program:

- The application and underwriting process are streamlined compared to a normal disaster loan. The application is available at <https://covid19relief.sba.gov/#/>.
- Up to \$200K can be approved without a personal guarantee.
- There are many eligible entity types including businesses with fewer than 500 employees, nonprofits, sole proprietors and more.
- Applicants may get an advance (not to exceed \$10K) on the loan within 3 days of submitting the application.
- The advance does not have to be repaid as long as the funds are used for an allowable purpose. From the CARES Act, Section 1110 (e)(5): “REPAYMENT.—An applicant shall not be required to repay any amounts of an advance provided under this subsection, even if subsequently denied a loan under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).”

Funds from an Emergency EIDL may be used on:

- (A) providing paid sick leave to employees unable to work due to the direct effect of the COVID-19;
- (B) maintaining payroll to retain employees during business disruptions or substantial slowdowns;
- (C) meeting increased costs to obtain materials unavailable from the applicant’s original source due to interrupted supply chains;
- (D) making rent or mortgage payments; and
- (E) repaying obligations that cannot be met due to revenue losses.