



Guide to the Coronavirus Preparedness and Response Supplemental Appropriations Act

Resources for AMGA Members

Overview

The Coronavirus Preparedness and Response Supplemental Appropriations Act (CPRSAA) was signed into law March 6, 2020. The CPRSAA authorizes state Governors to make an Economic Injury Disaster Loan (EIDL) declaration to allow small businesses and non-profits to access EIDL loans for reasons related to the Coronavirus pandemic. All states have made such a declaration. This program makes loans available to “small businesses and private, non-profit organizations to help alleviate economic injury caused by the Coronavirus (COVID-19).”

Terms

The Economic Injury Disaster Loans offer up to \$2 million in assistance to small businesses and non-profit organizations. These loans may be used to pay:

- fixed debts
- payroll
- accounts payable
- and other bills that can't be paid because of the disaster's impact.

The interest rate is 3.75% (maximum) for small businesses and 2.75% for non-profits. Long-term repayments are available, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay. The filing deadline is December 17, 2020.

Requirements

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.
- Economic injury disaster loans cannot be used to refinance long term debts.

Insurance Requirements: To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance.

Applicants may apply online, receive additional disaster assistance information, and download applications at <https://disasterloan.sba.gov/ela/>.

Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov.