

SUMMARY OF EMERGENCY EIDL GRANT PROVISIONS
Section 1110

- Makes loans available under Section 7(b)(2) of the Small Business Act for financial needs attributable to COVID-19
- Covered period is January 31 to December 31, 2020 (eleven months)
- Certain SBA provisions are waived for loans made during the covered period (personal guarantees for loans not more than \$200,000: inability to obtain credit elsewhere).
- Applicant for a loan in response to Covid-19 can request an advance of up to \$10,000 that may be distributed within three days of application. These funds do not have to be repaid, even if the loan requested is denied, so it is in effect a \$10,000 grant.
- Funds can be used for sick leave due to COVID-19, maintaining payroll to retain employees during business disruption, rent, mortgage payments and other limited obligations.
- If the same applicant obtains a Paycheck Protection Program (PPP) loan under Section 7(a) of the SBA, the \$10,000 forgiven under this loan reduces what can be forgiven under the PPP loan.
- Applications are to be accepted immediately.
- Private non-profits are also eligible for both grants and EIDLs.
- During the covered period, allows SBA to approve and offer EIDL loans based solely on an applicant's credit score, or use an alternative appropriate alternative method for determining applicant's ability to repay.