Agency: Small Business Administration

Due Date: September 30, 2020

Description: The SBA is offering low-interest working capital loans to small businesses and nonprofits suffering closures due to COVID-19. Loans are to be used to “pay fixed debts, payroll, accounts payable, and other bills.”

Terms of Loan: The SBA is offering interest rates of 3.75% for small businesses and 2.75% for nonprofits. The SBA is offering loans up to $2 million with a maximum repayment period of 30 years; terms are determined on a case-by-case basis, contingent on the borrower’s financial conditions.

Eligibility Criteria: The SBA lists for following credit requirements:
- Credit history deemed “acceptable” to SBA (SBA loans generally require credit scores of 620 or higher)
- Applicants must show some ability to repay the loan
- The SBA requires collateral for all loans over $25,000. The SBA does not reject applicants due to lack of collateral, though applicants capable of pledging collateral are required to do so.

Disaster loans will not be available to borrowers who:
- Are seeking to refinance long-term debts
- Have failed to repay previous SBA loans
- Have more than 500 employees.

New businesses are eligible for EIDL assistance.

Where to Apply: Businesses can apply at https://covid19relief.sba.gov/#/. Questions can be directed to 1-800-659-2955 or disastercustomerservice@sba.gov.

Note: Eligible applicants may receive a forgivable loan advance of up to $10,000 whether or not they are approved for an EIDL loan.