

# ECONOMIC INJURY DISASTER LOANS

The CARES Act (Coronavirus Aid, Relief, and Economic Security Act) signed into law by President Trump on March 27, 2020, provides potential relief for churches and pastors attempting to financially weather the economic turmoil wrought by COVID-19.

In addition to the traditional Small Business Administration (SBA) funding programs, several interim programs have been established including a temporary feature to request up to a \$10,000 advance as part of an Economic Injury Disaster Loan (EIDL) that can be issued within three days of application.

To help evaluate your loan eligibility and next steps, GuideStone® has created a basic checklist to help you decide if an EIDL is the right fit for your church or ministry going forward.

## 1: AM I ELIGIBLE?

**Designed for businesses directly affected by the declared disaster (COVID-19) and for businesses indirectly related to the harmed industry, this loan program is designed for:**

- Small businesses
- Small agricultural cooperatives
- Small aquaculture businesses
- Small nonprofit organizations including **churches and ministries**

**Criteria includes:**

- Credit history acceptable to the SBA
- Ability to repay the loan
- Must have a physical (“tangible and significant”) presence in the declared disaster area. P.O. Box does not qualify.
- Have suffered or are likely to suffer substantial economic injury as a result of COVID-19
- Must be an independently owned and operated business
- Not having available credit elsewhere
- Generally, the applicant (with and without affiliates) must have fewer than 500 employees. Some churches and ministries may qualify for an exemption from the affiliation rules.

**For more information, visit [SBA.gov/document/support-table-size-standards](https://www.sba.gov/document/support-table-size-standards).**



Applicants can have an existing SBA Disaster Loan and still qualify for an EIDL for the current circumstances of COVID-19, but the loans cannot be consolidated.

## 2: HOW MUCH CAN I BORROW?

With **no cost to apply**, a small business may borrow **up to \$2 million**.

- There is no collateral required for EIDLs under \$25,000 (maximum unsecured loan amount).
- The SBA will accept real estate as collateral when available.
- The SBA will not decline a loan for lack of collateral but requires borrowers to pledge what is available.

## 3: WHAT ARE THE TERMS?

- Loans terms are **up to 30 years** with eligibility based on the size, type of business and resources.
- Loan interest rates:
  - Small businesses at **3.75%**
  - Most private nonprofits at **2.75%**
- SBA loans will impose nondiscrimination obligations with respect to goods, services and accommodations offered generally to the public by churches and ministries (e.g., food pantry, day care center, homeless shelter, book store, soup kitchen, etc.), but generally not with respect to church religious practices.

## 4: HOW CAN I USE THE LOAN FUNDS?

Churches and ministries can use loan funds for fixed debts (rent, etc.), payroll, accounts payable and for bills that could have been paid had COVID-19 not occurred.

## 5: HOW CAN I APPLY?

**Apply directly to the SBA's Disaster Assistance Program at [DisasterLoan.SBA.gov](https://DisasterLoan.SBA.gov).** The estimated time to complete the entire application is **two hours and ten minutes**, although you may not need to complete all parts.

### You will need:

- SBA Loan Application (SBA Form 5 or 5C)
- Personal Financial Statement (SBA Form 413)
- Schedule of Liabilities (SBA Form 2202) Tax Information Authorization (IRS Form 4506-T)
- Copies of the most recent federal income tax return(s)
- Additional Filing Requirements (SBA Form 1368) providing monthly sales figures. This is especially important for EIDLs.



Please know that **other information may be requested depending on your circumstances**. Although a paper application and forms are acceptable, **filing electronically is easiest and preferred**.

## 6: WHAT IF I HAVE MORE QUESTIONS?

**For further application questions, you may contact the SBA's Customer Service Center by:**

- Calling 1-800-659-2955
- Calling 1-800-877-8339 for the deaf or hard-of-hearing
- Emailing [DisasterCustomerService@SBA.gov](mailto:DisasterCustomerService@SBA.gov)

For more information on COVID-19 Relief Options provided by the SBA, visit [SBA.gov/funding-programs/loans/coronavirus-relief-options](https://SBA.gov/funding-programs/loans/coronavirus-relief-options) as well as the [SBA FAQs](#).

For more information and ministry resources on how GuideStone is responding to COVID-19, please visit:

[GuideStone.org/NewsRoom](https://GuideStone.org/NewsRoom) for the latest updates

[GuideStone.org/COVID-19-Resources](https://GuideStone.org/COVID-19-Resources) for pastors

[GuideStone.org/Coronavirus](https://GuideStone.org/Coronavirus) for churches and ministries

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