

SBA Allows Ag Businesses Access to EIDL Loans

On May 4, 2020, the Small Business Administration (SBA) will accept new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications on a limited basis only to provide relief to U.S. agricultural businesses. According to the SBA's announcement, agricultural businesses include those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).

SBA is encouraging all eligible agricultural businesses with 500 or fewer employees wishing to apply to begin preparing their business financial information needed for their application. At this time, only agricultural business applications will be accepted for the EIDL program.

The application for an EIDL is directly with the SBA (not your local bank) for loans up to \$2.0 million. This is a loan that must be repaid and the amount is determined by the SBA on a case-by-case basis. As of the date of this Update however, the SBA is limiting disbursements to \$15,000 for two months. EIDL loans up to \$25,000 can be made without collateral and up to \$200,000 with no guaranty. Loan proceeds may be used to pay fixed debts, payroll, accounts payable and other bills (but cannot be used for the same purposes as a Paycheck Protection Program (PPP) loan - no double dipping). An EIDL Advance is *up to* \$10,000 (average [EIDL Advance](#) for Nebraska was approx. \$4,400) and is not required to be repaid if awarded. Any EIDL Advance reduces the proceeds of a PPP loan. The interest rate is 3.75% for small businesses. The SBA offers loans with long-term repayments up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

See:

[SBA Announcement](#)

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