



Office of Inspector General U.S. Small Business Administration

July 14, 2020

Lender Alert: Economic Injury Disaster Loans

The Small Business Administration's (SBA's) Economic Injury Disaster Loan program is part of the nation's response to the Coronavirus 2019 (COVID-19) pandemic under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These economic injury loans are intended to help eligible small businesses with expenses such as

- fixed debts,
- payroll,
- accounts payable and
- other eligible bills.

Interest rates vary between 2.75 percent and 3.75 percent. Terms are based on the borrower's ability to repay but may be up to a maximum of 30 years. Eligibility determination is the same as for SBA's Payroll Protection Program loans.

Note: Beginning July 11, 2020, SBA no longer offers advances on Economic Injury Disaster Loans. Until July 10, 2020, eligible small business owners in all U.S. states, Washington, D.C., and territories were able to request an advance of up to \$10,000.

The current maximum loan amount is \$150,000 per entity or a maximum amount of \$2 million for all affiliated businesses. Loan disbursements and advances are made through the U.S. Department of the Treasury's automated clearing house system as deposits from SBA.

What to Do if You Must Return Funds to SBA

Lenders who have questions about eligibility or need to return money should contact SBA at eidl.ach.inquiries@sba.gov.

What to Do if You Suspect Fraud

Warning signs of fraud include:

- Using stolen identities to qualify for funds
- Applications from ineligible persons (nonbusiness entities, suspended or debarred individuals, etc.)
- Fake businesses established specifically to apply for SBA assistance
- Borrowers working with third parties to obtain Economic Injury Disaster Loan funds in exchange for keeping a percentage of the funds
- Borrowers using economic injury loan money to start businesses

- Misuse of loan funds
- Reporting inflated business and financial information, etc.
- Borrowers declining loans after advance funds have been deposited

Lenders who suspect attempted fraud should contact the National Center for Disaster Fraud Hotline at 1-866-720-5721 or fill out the Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

Lenders may also report fraud, waste, abuse, or mismanagement of federal funds involving SBA programs, operations, or personnel to the SBA OIG Hotline at (800) 767-0385. You can also submit a complaint form at <https://www.sba.gov/about-sba/oversight-advocacy/office-inspector-general/office-inspector-general-hotline#section-header-0>