



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES ACT)

SBA EXPRESS BRIDGE LOANS (EBL)

If you currently have a relationship with an SBA Express Lender, the Express Bridge Loan Pilot Program allows your small business to receive expedited financing, of up to \$25,000, on an emergency basis while applying for and awaiting long-term financing. An SBA Express Lender is a lender that has a current SBA Form 2424, which is a supplemental loan guarantee agreement between SBA and the lender. Express bridge loans are meant to provide relief to small businesses for temporary loss of revenue. They can be a term loan or used to bridge the gap while applying for a COVID-19 Economic Injury Disaster Loan. For the COVID-19 emergency, express bridge loans can be approved through March 13, 2021. Express bridge loans are repaid in full or in part by proceeds from the Economic Injury Disaster Loan.

Eligibility:

- For the COVID-19 Emergency Declaration, small businesses located in any state, territory and the District of Columbia that have been adversely impacted by the COVID-19 emergency are eligible.
- The small business must have been operational when the declared disaster commenced (March 13, 2020), must demonstrate that it has been adversely impacted by the COVID-19 emergency, and must meet all other 7(a) loan eligibility requirements.

Key Provisions:

- SBA Express Lenders may only make EBL loans to eligible small businesses with which the Lender had an existing banking relationship on or before the date of the applicable disaster (March 13, 2020)
- Maximum loan amount is \$25,000
- Maximum loan term is 7 years
- Must be structured as a term loan (revolving lines of credit are not permitted)
- EBL loan proceeds must be used exclusively to support the survival and/or reopening of the small business and must be disbursed as working capital

Sources and Additional Information:

<https://www.sba.gov/sites/default/files/2020-03/Express-Bridge-Loan-Pilot-Program-Guide-FINAL-3.25.20.pdf>

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

<https://www.sba.gov/local-assistance>