

**§ 123.302 What is the interest rate on an economic injury disaster loan?**

Your economic injury loan will have an interest rate of 4 percent per annum or less.

**§ 123.303 How can my business spend my economic injury disaster loan?**

(a) You can only use the loan proceeds for working capital necessary to carry your concern until resumption of normal operations and for expenditures necessary to alleviate the specific economic injury, but not to exceed that which the business could have provided had the injury not occurred.

(b) Loan proceeds may not be used to:

- (1) Refinance indebtedness which you incurred prior to the disaster event;

(2) Make payments on loans owned by another federal agency (including SBA) or a Small Business Investment Company licensed under the Small Business Investment Act;

(3) Pay, directly or indirectly, any obligations resulting from a federal, state or local tax penalty as a result of negligence or fraud, or any non-tax criminal fine, civil fine, or penalty for non-compliance with a law, regulation, or order of a federal, state, regional, or local agency or similar matter;

(4) Repair physical damage; or

(5) Pay dividends or other disbursements to owners, partners, officers or stockholders, except for reasonable remuneration directly related to their performance of services for the business.

## **PART 124—8(A) BUSINESS DEVELOPMENT/SMALL DISADVANTAGED BUSINESS STATUS DETERMINATIONS**

### **Subpart A—8(a) Business Development**

#### **Provisions of General Applicability**

Sec.

- 124.1 What is the purpose of the 8(a) Business Development program?
- 124.2 What length of time may a business participate in the 8(a) BD program?
- 124.3 What definitions are important in the 8(a) BD program?

Eligibility Requirements for Participation in the 8(a) Business Development Program

- 124.101 What are the basic requirements a concern must meet for the 8(a) BD program?
- 124.102 What size business is eligible to participate in the 8(a) BD program?
- 124.103 Who is socially disadvantaged?
- 124.104 Who is economically disadvantaged?
- 124.105 What does it mean to be unconditionally owned by one or more disadvantaged individuals?
- 124.106 When do disadvantaged individuals control an applicant or Participant?
- 124.107 What is potential for success?
- 124.108 What other eligibility requirements apply for individuals or businesses?
- 124.109 Do Indian tribes and Alaska Native Corporations have any special rules for applying to the 8(a) BD program?
- 124.110 Do Native Hawaiian Organizations have any special rules for applying to the 8(a) BD program?
- 124.111 Do Community Development Corporations (CDCs) have any special rules for applying to the 8(a) BD program?
- 124.112 What criteria must a business meet to remain eligible to participate in the 8(a) BD program?

#### **Applying to the 8(a) BD Program**

- 124.201 May any business submit an application?
- 124.202 Where must an application be filed?
- 124.203 What must a concern submit to apply to the 8(a) BD program?
- 124.204 How does SBA process applications for 8(a) BD program admission?
- 124.205 Can an applicant ask SBA to reconsider SBA's initial decision to decline its application?
- 124.206 What appeal rights are available to an applicant that has been denied admission?
- 124.207 Can an applicant reapply for admission to the 8(a) BD program?

#### **Exiting the 8(a) BD Program**

- 124.301 What are the ways a business may leave the 8(a) BD program?
- 124.302 What is early graduation?
- 124.303 What is termination?
- 124.304 What are the procedures for early graduation and termination?
- 124.305 What is suspension and how is a Participant suspended from the 8(a) BD program?

#### **Business Development**

- 124.401 Which SBA field office services a Participant?
- 124.402 How does a Participant develop a business plan?
- 124.403 How is a business plan updated and modified?