

COVID EIDL Reporter FAQ

SBA enforcement activity, Treasury referrals, credit reporting, and borrower risk

Purpose: Fast, sourced answers for writers covering unresolved COVID EIDL loans and related collection issues.

Best short frame

COVID EIDL is no longer a new-relief-program story. It is now a servicing, delinquency, Treasury-transfer, credit-reporting, and collections story.

What not to imply

Do not frame unresolved COVID EIDL as PPP-style forgiveness, automatic settlement, or debt that disappears when a business closes.

Frequently Asked Questions

1. Why this matters now

SBA and Treasury are moving from pandemic-era accommodation into a more formal collection environment. OIG says SBA missed collection steps on delinquent COVID EIDLs, Treasury says SBA began referring delinquent COVID EIDL debts to Cross-Servicing as of September 2025, and SBA announced a large April 2026 Treasury referral package tied to suspected pandemic-loan fraud.

Sources: [SBA OIG 25-23](#) | [Treasury](#) | [SBA Apr. 24, 2026](#)

2. How large is the COVID EIDL portfolio?

OIG reported that SBA approved nearly 4 million COVID-19 EIDL loans totaling almost \$387 billion from March 2020 to May 2022. A separate OIG advisory said SBA's servicing center demonstrated the capability to service more than 2 million COVID EIDLs and completed more than 23,500 servicing actions per month during the review period.

Sources: [OIG 25-23 PDF](#) | [OIG 25-16](#)

3. Is COVID EIDL still open?

No. SBA says COVID EIDL is not accepting new applications, increase requests, or reconsiderations. Existing borrowers can still use the SBA Loan Portal to monitor loan status, make payments, and request servicing actions.

Sources: [SBA Manage your EIDL](#)

4. Why does the OIG report matter?

OIG found that SBA did not perfect security interests in borrower deposit accounts, conduct post-default site visits, report all delinquent obligors to credit bureaus, or refer debts to DOJ for litigation. That gives reporters a documented enforcement-gap story, not just borrower anecdotes.

Sources: [SBA OIG 25-23](#)

5. What should reporters know about credit reporting?

OIG said SBA should verify that all delinquent COVID EIDL obligors are reported to credit bureaus in a timely manner. SBA agreed to add ETRAN functionality to log credit bureau submission time and date entries, with a final action target date of June 30, 2026. That is a tracking and compliance milestone, not a blanket statement that every borrower will be newly reported on that date.

Sources: [OIG 25-23 PDF](#)

6. How large was the credit-reporting gap?

OIG's December 2024 sample found large categories of charged-off loans were not appearing in credit bureau reports: more than 94% of businesses, nearly 95% of sole proprietors, 100% of self-employed individuals and independent contractors, and more than 94% of personal guarantors that OIG expected to see reported were not reported.

Sources: [OIG 25-23 PDF](#)

7. What does Treasury Cross-Servicing change?

Treasury says its Cross-Servicing program can send letters, make calls, refer debts to the Treasury Offset Program, garnish wages, report debts to credit bureaus, and refer debts to private collection agencies. Treasury also says it cannot return COVID EIDL or COVID PPP debts to SBA once they are referred.

Sources: [Treasury debt management](#) | [Treasury contact page](#)

8. Why does timing matter?

OIG says charge-off and Treasury referral can follow delinquency, and federal collection tools generally become more formal over time. Treasury says delinquent COVID EIDL debts began moving to Cross-Servicing as of September 2025, and a demand letter may take up to 21 days after referral.

Sources: [OIG 25-23 PDF](#) | [Treasury](#)

9. What changed on April 24, 2026?

SBA said it referred 562,000 suspected fraudulent PPP and COVID EIDL loans totaling \$22.2 billion to Treasury for collection. SBA called it the largest referral package on record and said the borrowers were tied to loans previously flagged for suspected fraud.

Sources: [SBA News Release 26-47](#)

10. Is EIDL forgiveness available?

No broad COVID EIDL forgiveness program is available. SBA's Offer in Compromise requirement letter says an OIC will be considered only after liquidation of all collateral and states that COVID EIDLs cannot be forgiven. That distinction is important because PPP forgiveness rules do not apply to EIDL loans.

Sources: [SBA OIC requirement letter](#)

11. Which borrower situations are most complex?

Reporters should watch for closed or closing businesses, pledged business assets, personal guaranties, charge-off language, Treasury or private collection activity, multiple SBA obligations, ownership disputes, bankruptcy timing, and owners trying to preserve future credit or financing access. These are the cases where a simple "call SBA" answer may not capture the full risk.

Sources: [SBA servicing page](#) | [OIG 25-23 PDF](#)

12. What is EiDLexit's role in the story?

EiDLexit provides borrower-side guidance for complex SBA COVID EIDL situations. The press angle is not panic or guaranteed forgiveness. It is that borrowers with unresolved loans may need to understand loan status, collateral, guaranty exposure, Treasury referral, credit reporting, and timing before they act or ignore the file.

Sources: [EiDLexit](#) | [SBA Manage your EIDL](#)

Primary verification links

- [SBA Manage your EIDL](#)
- [SBA OIG Report 25-23](#)
- [SBA OIG Report 25-16](#)
- [SBA April 24, 2026 referral release](#)
- [Treasury COVID EIDL update](#)
- [Treasury Debt & Receivables Servicing](#)
- [USAspending EIDL keyword search](#)
- [SBA Open Data: COVID-19 EIDL](#)

Editorial note for reporters

Treasury's [exemption chart](#) and [current contact page](#) should be read together. The OIG report says Treasury granted SBA a two-year exemption from cross-servicing through March 31, 2026, while Treasury's current page says SBA started referring delinquent COVID EIDL debts to Cross-Servicing as of September 2025. Verify the specific debt status before describing an individual borrower's options.

Prepared June 23, 2026. This is background information for media use, not legal advice and not a guarantee of any SBA, Treasury, credit-reporting, settlement, or collection outcome.