

- b. Period of military conflict is
 - (1) A period of war declared by Congress, or
 - (2) A period of national emergency declared by Congress or the President, or
 - (3) A period of contingency operation. A contingency operation is designated by the Secretary of Defense as an operation in which our military are or may become involved in military actions, operations, or hostilities (e.g. peacekeeping operations).

NOTE: A period of military conflict does not include instances when the Governor may activate the Guard as a result of a disaster event.

- c. Although we can accept applications with a notice of expected call-up, we cannot complete all processing until we have a copy of the essential employee's official call-up orders. Upon receipt of an acceptable application, process the file to a decision. If a decline or withdrawal is recommended, decline or withdraw the file using normal procedures. If an approval is possible, withdraw the file pending receipt of the official call-up notice. Upon receipt of the official notice, reactivate the file and complete the processing. (See Appendix 6 for a complete list of the filing requirements).

F. Ineligible EIDL Applicants:

- 1. The following applicants are not eligible for EIDL assistance.
 - a. Lending or Investment Concerns (except for real estate investments held for rental)
 - b. Multi-level Sales Distribution (Pyramid) Concerns
 - c. Speculative Activities
 - d. Non-profit Organizations that are not considered a Private Non-Profit
 - e. Consumer and Marketing Cooperatives. However, other cooperatives and small agricultural cooperatives meeting applicable size standards are eligible
 - f. Not a small business concern (except for PNP of any size)
 - g. Gambling Concerns. Concerns that derive more than one-third of their annual gross revenue from legal gambling activities
 - h. Casinos, Racetracks, Etc. Businesses whose purpose for being is gambling (such as casinos, racetracks, poker parlors, etc.) are not eligible for EIDL assistance regardless of their ability to meet the one-third criteria established for otherwise eligible concerns
 - i. Loan packagers who derives more than one-third of their annual volume from the preparation of applications seeking financial assistance from SBA
 - j. Religious Organizations.
 - k. Political or Lobbying Concerns.
 - l. Pawn shops, when 50 percent or more of previous year's income was derived

from interest

- m. Real Estate Developers. Establishments primarily engaged in subdividing real property into lots and developing it for resale on their own account.
- n. Life Insurance Companies.
- o. Concerns Engaged in Illegal Activities (as defined by Federal guidelines).
- p. Government-owned concerns, except for businesses owned or controlled by a Native American tribe. Refer to paragraph 3.1 Q for guidance regarding tribal owned businesses
- q. Concerns with Principals Incarcerated, on Parole or Probation: remain ineligible if the parole or probation is lifted solely because it is an impediment to obtaining a loan. (See possible exceptions in paragraph 3.6 A)
- r. Concerns engaged in live performances of, or the Sale of Products, Services, of a Prurient Sexual Nature.
- s. Businesses considered as hobbies.
- t. Concerns Not Located in the Declared Disaster Area.
- u. Concerns Determined by SBA to have Credit Available Elsewhere.
- v. Concerns Involved in Change in Ownership Situations: Concerns which had a substantial change of ownership (more than 50 percent) after the impending economic injury became apparent, and no contract for sale existed prior to that time are ineligible (see possible exceptions in paragraph 3.1 H and I).
- w. Concerns Established Post-Disaster: If a small concern was established after an impending economic injury became apparent, the owner assumed the risk and did not incur economic injury.

NOTE: The only exception subparagraph c. and d. above is under a Secretary of Agriculture designation. In the case of a single declaration covering multiple years, an eligibility determination due to the change in ownership or creation of a new business after the onset of the disaster would need further review. This determination is due to the delayed time from the onset of the disaster to the date the disaster is declared and should be conducted on a case-by-case basis. Historically, a new or separate declaration for each year is issued and this may give eligibility for the business.

For example: The Secretary of Agriculture declaration has an incident period that covers January 1, 2012 through June 30, 2014 or multiple years due to drought conditions. The onset of the disaster was January 1, 2012 but the applicant did not purchase the business until January 2, 2013. In this example, the onset of the incident date is prior to a change in ownership or new business creation. However, the business is determined to be eligible from the date the business was purchased since crops in 2013 and 2014 were affected by the drought conditions.

- e. Agricultural Enterprises: If the primary activity of the business (including its