

# EiDLexit Issues Borrower Advisory on COVID EIDL Enforcement and Credit Reporting Developments

*New advisory addresses SBA oversight, Treasury referrals, and credit reporting considerations for small business owners with unresolved EIDL loans.*

HOUSTON, TX, UNITED STATES, June 23, 2026 /EINPresswire.com/ -- [EiDLexit](#) today released a borrower advisory addressing recent federal oversight and collection developments affecting small business owners with unresolved COVID-19 Economic Injury Disaster Loans.

The advisory follows increased federal scrutiny of delinquent COVID EIDL

loans. In [SBA Office of Inspector General Report 25-23](#), the OIG found that the SBA did not consistently use several collection tools, including credit bureau reporting, post-default site visits, security interest procedures, and litigation referrals. SBA agreed with OIG Recommendation 2 on timely credit bureau reporting for delinquent COVID-19 EIDL obligors and set a June 30, 2026, Final Action Target Date to add tracking functionality for those submissions.

EiDLexit says the report reflects a continued shift from pandemic-era loan relief toward more formal oversight, documentation, and collection procedures for unresolved COVID EIDL obligations.

“Many business owners are still trying to understand how recent SBA and Treasury developments may affect their EIDL situation,” said EJ Simonsen, founder of EiDLexit. “The purpose of this advisory is to help borrowers identify the type of issue they may be facing and understand why timing, documentation, and loan status can matter.”

According to the U.S. Treasury Bureau of the Fiscal Service, SBA began referring delinquent COVID EIDL debts to Treasury’s Cross-Servicing program in September 2025. Treasury also states



EiDLexit founder EJ Simonsen says unresolved EIDL borrowers should understand their options before enforcement actions reduce flexibility.

that once COVID EIDL debts are referred, they cannot be returned to the SBA.

The advisory also notes SBA's April 2026 announcement that it had referred 562,000 suspected fraudulent PPP and COVID EIDL loans totaling \$22.2 billion to Treasury for collection and transmitted borrower information to the Department of Justice. EiDLexit emphasizes that distressed borrowers should not confuse ordinary hardship situations with suspected fraud cases, but says the announcement is part of a broader federal focus on pandemic-era loan collection and accountability.

EiDLexit says unresolved EIDL cases can involve more than a missed payment. Borrowers may need to evaluate business status, pledged collateral, personal guarantee exposure, business closure steps, liquidation requirements, tax obligations, other debts, credit impact, and whether the business remains viable.

While some borrowers may be able to address routine SBA servicing issues on their own, EiDLexit says more complex cases often require broader financial and strategic review before decisions are made.

The company identifies several situations where borrowers may benefit from reviewing their position:

- The business has closed or is preparing to close while still holding SBA-collateralized assets
- The loan may involve a personal guarantee
- The account is delinquent, charged off, or referred to Treasury
- The borrower has received a demand letter or private collection notice
- The owner is personally funding a struggling business
- There are multiple SBA loans, related entities, lawsuits, judgments, or unsecured debts
- Bankruptcy timing or business dissolution is being considered
- The borrower is trying to preserve future credit or financing options

"One of the largest misconceptions surrounding EIDL loans is that every borrower should handle the process the same way," Simonsen said. "A borrower who is still operating and temporarily cash-constrained may be in a very different position than a closed business with collateral, personal liability concerns, or Treasury exposure."

EiDLexit says the practical takeaway is that borrowers should understand the potential consequences before contacting SBA, closing a business, liquidating assets, stopping payments, entering bankruptcy discussions, or ignoring collection notices.

For additional borrower context, EiDLexit has published a deeper breakdown of the SBA Inspector General report and what it may mean for EIDL borrowers in 2026 at

<https://eidlexit.com/blog/the-state-of-eidls-01>.

## About EiDLexit

EiDLexit provides strategic guidance and support for business owners navigating complex SBA EIDL situations, including hardship planning, compliance concerns, business closures, Treasury-related issues, and structured resolution strategies. The company helps borrowers evaluate risk factors, understand available pathways, and prepare for informed communication with the SBA and related agencies.

For more information, visit <https://eidlexit.com>.

Disclaimer: EiDLexit is not a law firm and does not provide legal advice. Borrowers with legal, bankruptcy, tax, or litigation concerns should consult the appropriate licensed professional.

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