

Summary of SBA Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP) Loans

Use this chart to compare the available Small Business Administration loan programs under the CARES Act

April 3, 2020	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program Loans (PPP)
Summary	SBA direct low-interest loans for working capital to small businesses	Locally funded / SBA guaranteed potentially forgivable loan
Permitted use of loan	Working capital loans to cover fixed debts, payroll, accounts payable, and other bills not paid due to the COVID-19 disaster	Eligible uses of proceeds include payroll costs, healthcare, interest, rent, utilities [If proceeds spent on above items within 8 week period after loan – the entire loan is forgiven. Forgiveness can be reduced if payroll cuts are made.]
Where to apply and related cost	Online applications are encouraged https://covid19relief.sba.gov No fee to apply	Applications are through third party private lenders (banks). All fees are waived
Eligibility	Any business or nonprofit that meets the SBA size standard** that has suffered “substantial economic injury”. ** generally, not more than 500 employees (affiliation rules apply) / can be a sole proprietorship with or without employees Must be unable to meet its financial obligations, pay ordinary and necessary operating expenses or has a reduction in working capital	Any business in operation before February 15, 2020, that has fewer than 500 employees or otherwise meets the SBA’s existing size standard Nonprofits, independent contractors and self-employed qualify. Recipients of EIDL loans made after 1/31/20 may receive a PPP loan for purposes other than what was borrowed under the EIDL loan (no “double dipping”).
Amount of loan	Up to \$2,000,000 based on size and type of business A borrower can request an advance on the loan of up to \$10,000. The advance may be considered a grant (repayment not required) even if the EIDL loan application is denied.	The lesser of: 2.5 times average monthly payroll (including health and retirement benefits) for the twelve months prior to the application date <u>OR</u> \$10,000,000
Interest rate and repayment terms	3.75% for profit / 2.75% non-profit Up to 30 year amortization	Interest rate 1.0% 2 year amortization; payments begin after 6 months
Collateral	Yes, on loans above \$25,000	None
Guarantee	Only required on loans in excess of \$200,000	None

Summary information only. See full text before making final decisions.