

**Small Business Loan Programs**  
**The Economic Injury Disaster Loan (EIDL) vs. The Paycheck Protection Program (PPP)**

Frequently Asked Question	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)
Who can administer the loan?	SBA	SBA Approved Lenders
What's the maximum amount of the loan?	Up to \$2 million	Maximum loan size is \$10 million. The calculation is as follows: <ul style="list-style-type: none"> <li>• 2.5 times the average total monthly payroll costs incurred in the 12 months prior, plus</li> <li>• The outstanding loan balance of an EIDL obtained after January 31, 2020</li> </ul>
What's the length of the loan?	Up to 30 years	2 years
What's the interest rate on the loan?	- Non-Profit up to 2.75% - For-Profit up to 3.75%	1.00%
Who's potentially eligible for the loan?	<ul style="list-style-type: none"> <li>- Small businesses in all U.S. States and territories, including sole proprietors or independent contractors</li> <li>- Private nonprofit organizations</li> <li>- Small agricultural cooperatives</li> <li>- ESOPs</li> <li>- Fewer than 500 employees</li> </ul>	<ul style="list-style-type: none"> <li>- Small businesses in all U.S. States and territories, including sole proprietors, independent contractors and eligible self-employed individuals</li> <li>- 501 (c)(3) nonprofit organizations</li> <li>- 501 (c)(19) veterans organizations</li> <li>- Fewer than 500 employees (some exceptions apply)</li> <li>- Some foreign ownership exceptions may apply</li> </ul>
What payments can be deferred?	12 months (interest is accrued during deferral period)	6 months (interest is accrued during deferral period)
What loan amount requires collateral?	If available, collateral will be taken on loans greater than \$25,000	No collateral from business or its owners
Is there a personal guarantee required?	Waives requirement of personal guarantees on loans less than \$200k	No guarantee required
What can the funds be used for?	<ul style="list-style-type: none"> <li>- Debt payments</li> <li>- Payroll and related benefits (must refinance EIDL with a PPP loan if funds are used for payroll)</li> <li>- Accounts payable and other expenses that cannot be paid because of the disaster's impact</li> </ul>	<ul style="list-style-type: none"> <li>- Payroll and related benefits</li> <li>- Interest on mortgage payments or other debts</li> <li>- Rents</li> <li>- Utilities</li> </ul>
What can the funds not be used for?	<ul style="list-style-type: none"> <li>- Refinancing of debt</li> <li>- Payment of other SBA loans or lenders</li> <li>- Tax penalties</li> <li>- Civil fines</li> <li>- Repairs of property or other physical damage</li> <li>- Payment of dividends or distributions to owners or partners</li> </ul>	Anything not listed above (EIDL could be rolled into PPP loan but wouldn't be part of loan forgiven)
What amounts are forgiven?	Emergency grant up to \$10,000 does not need to be repaid if used for payroll	<p>Forgiveness is available if at least 75% of proceeds are spent on payroll costs. Amounts forgiven are not taxable.</p> <p>The amount of loan forgiveness is reduced based on reductions to employee counts and wage reductions during the 8 week period following loan origination</p>
Is there a prepayment penalty?	No	No
Can I Apply Now?	Application process and loans are available now: <a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a>	<ul style="list-style-type: none"> <li>- Participating institutions are preparing to accept applications starting April 3, 2020 for small businesses and sole proprietorships and April 10, 2020 for independent contractors and self-employed individuals</li> <li>- The application can be found here: <a href="https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf">https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf</a></li> </ul>