

Summarized Comparison of SBA Loans - PPP Loans vs. EIDLs

	CARES-7(a) Paycheck Protection Program	EIDL 7(b) Economic Injury Disaster Loan
Periods Available	February 15, 2020 to June 30, 2020	January 31, 2020 until Disaster undeclared
Lending Institution	SBA Authorized Lenders	SBA Direct Only
Eligibility	Businesses and Not-for-Profits under 500 employees in business February 15, 2020 with employees	Businesses and Not-for-Profits of any size
Loan Amt Determination	Sum of 2.5x last year's monthly average qualified payroll costs plus balance of EIDL entered into Jan 31, 2020 or later	Based on Economic Injury - \$10,000 grant available for apps Jan 31, 2020 to Dec 31, 2020 until exhausted
Max Loan Amount	\$10,000,000	\$2,000,000
Max SBA Guarantee	100%	Unknown, but funds direct from SBA
Interest Rate	Negotiable, not to exceed 4%	3.75% for businesses; 2.75% for Not-for-Profits
Eligibility Decision	By the SBA, some lenders	By the SBA
Collateral	Waived	Yes - 100% collateral not necessary but up to extent borrower has it
Credit Decision	By the SBA, some lenders	By the SBA
Forgiveness	Yes, if used for qualified items and employees are retained	None
Personal Guarantee	Waived for covered period	If loan <\$200,000 - no personal guarantee; if loan >\$200,000 - yes from all >20% owners
Use of Funds Allowed	Payroll costs, mortgage interest, rent utilities	Fixed debts (incl. rent), payroll, AP, some other bills
Credit Elsewhere Rule	Waived for covered period	Waived for covered period
Payment Deferment	6 to 12 months	5 months
Repayment Term	Any PPP loan that has a remaining principal balance after any applicable loan forgiveness must have a maturity date no later than 10 years from the date on which the borrower applied for loan forgiveness	Determined by ability to repay the loan
Loan for Each Business	Yes	Yes
Loan for Multi Locations	Yes if NAICS 72 (Food Service)	Unlikely
Fees	No Yearly or Guarantee Fees; no early payment fees	No upfront fees and no early payment penalties, some fees may apply
Sole Proprietorship, Self-Employed, Independent Contractor?	Yes	Yes
Application Process	Not Yet Available	https://covid19relief.sba.gov/#/

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