

# Paycheck Protection Program vs. Emergency Injury Disaster Loan Program

|   | PAYCHECK PROTECTION PROGRAM (PPP)  | EMERGENCY INJURY DISASTER LOAN PROGRAM (EIDL)   |
|---|--|---|
| <b>Who is eligible?</b>   | Small businesses and nonprofits with up to 500 employees*; self-employed individuals<br>*Certain larger businesses may qualify   | Small businesses, coops, and ESOPs with up to 500 employees*; self-employed individuals, private nonprofits<br>*Certain larger businesses may qualify |
| <b>Who is the Lender?</b>   | An SBA 7(a) loan-providing lender  | SBA   |
| <b>Where do I apply?</b>  | At an SBA 7(a) approved lender   | Disaster Loan Assistance<br><a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a>   |
| <b>What can I use the funds for?</b>                                      | Payroll costs*, mortgage and other debt interest, rent, utilities and certain EIDL refinancing**<br>*75% of loan proceeds must be used for payroll<br>**EIDL loans made between 1/31/20 and 4/3/20 | Follows SBA 7(b): wider use including PPP costs + other existing obligations  |
| <b>What can I not use the funds for?</b>                                  | Anything other than covered expenses listed above  | Expansion of facilities, acquisition of fixed assets, refinancing LT debt. *More listed on <a href="https://www.sba.gov">SBA.gov</a>                  |
| <b>What is the maximum loan available?</b>                                | Lesser of 2.5 x avg monthly payroll or \$10M   | \$2M, with immediate \$10K advance available  |
| <b>What is the interest rate?</b>   | 1%*<br>*Maximum under statute (or CARES Act) 4%  | Small Businesses: 3.75%<br>Nonprofits: 2.75%  |
| <b>What is the term?</b>  | 2 years*<br>*Maximum under statute (or CARES Act) 10 years   | Up to 30 years  |
| <b>What collateral or guarantee is required?</b>                          | No collateral or guarantee   | No collateral or guarantee up to \$25K; collateral if over \$25K; guarantee if over \$200k  |
| <b>Is there payment deferral?</b>   | First 6 months   | One year  |
| <b>Is there loan forgiveness?</b>   | Costs incurred within first 8 weeks of the loan; non-payroll costs cannot offset more than 25% of total forgiveness; reduction in forgiveness when employee base and/or pay not maintained         | Up to \$10K advance   |
| <b>Is the loan forgiveness taxable income?</b>                            | No   | Unknown   |
| <b>Is there a prepayment penalty?</b>                                     | No   | No  |
| <b>Are there loan origination fees?</b>                                   | No   | No  |
| <b>Can I take this and the <a href="#">Employee Retention Credit</a>?</b> | No   | Yes   |
| <b>How long are the loans available?</b>                                  | The earlier of 6/30/20 or program amounts depleted   | 12/31/20  |

Both the PPP and EIDL may be obtained but for different expenses (no double dipping)

The advance amount forgiven under the EIDL will reduce PPP loan forgiveness

Existing and new SBA loans not issued under the PPP receive six months of payments made by the SBA on the borrower's behalf