

Key Differences: PPP and EIDL

	PAYCHECK PROTECTION PROGRAM (PPP)	ECONOMIC INJURY DISASTER LOANS (EIDL)
Loan Amount	<ul style="list-style-type: none"> Up to 2.5 months of payroll cost¹ with a maximum of \$10 million 	<ul style="list-style-type: none"> Up to \$2 million, based on actual economic injury determined by SBA
Eligible Borrowers	<ul style="list-style-type: none"> All small businesses in operation as of 2/15/20 with fewer than 500 employees² NAISC 72 sector businesses with more than 500 but fewer than 1,500 employees³ 501(c)(19) veteran groups, 501(c)(3)s, and tribal businesses with fewer than 500 employees Self-employed individuals Independent contractors Sole proprietorships 	<ul style="list-style-type: none"> All SBA qualified small businesses and cooperatives 500 or fewer employees Private nonprofit organizations ESOPs fewer than 500 employees Independent contractors Sole proprietorships Tribal businesses
Application Process	<ul style="list-style-type: none"> Issued directly by SBA-approved banks 100% guaranteed by SBA⁴ Loan fees waived 	<ul style="list-style-type: none"> Issued by the SBA, approval solely on credit score and financial need Loan fees, requirement to show need, and one-year of operations waived
Collateral	<ul style="list-style-type: none"> No collateral 	<ul style="list-style-type: none"> Collateral required for loans more than \$25,000
Personal Guaranty	<ul style="list-style-type: none"> No personal guaranty 	<ul style="list-style-type: none"> Required for loans more than \$200,000
Interest	<ul style="list-style-type: none"> 4% cap 	<ul style="list-style-type: none"> 3.75% for businesses; 2.75% for nonprofits
Forgiveness/Grants	<ul style="list-style-type: none"> SBA will provide eight weeks of loan forgiveness for funds applied to payroll cost, mortgage interest, rent, and utility expenses between 2/15/20 – 6/30/20⁵ 	<ul style="list-style-type: none"> SBA may provide up to \$10,000 in emergency grants to EIDL applicants that need it Applicants do not need to repay the grants even if the loan application is denied⁶
Deferred Payments	<ul style="list-style-type: none"> Automatic deferral of principal/interest payments for six months to one year 	<ul style="list-style-type: none"> Automatic deferral of principal/interest for all of 2020; up to one year
Uses	<ul style="list-style-type: none"> Working capital, refinance existing debt, etc., but forgiveness only provided if used for costs described above 	<ul style="list-style-type: none"> Working capital, inventory, equipment purchases, real estate payments, and other operating expenses
Availability	<ul style="list-style-type: none"> Available only until 6/30/20 	<ul style="list-style-type: none"> Grants only available until 12/31/20

¹ Payroll costs include: salary, wage, commission, or other compensation, payments of cash tips, payments for vacation, parental family, medical, or sick leave, allowance for dismissal, healthcare benefits (including premiums), retirement benefits and payroll taxes, but exclude compensation to any individual employee or contractor in excess of \$100,000/year, and compensation to employees with primary residence outside of the United States.

² SBA will include employees of affiliates for purposes of determining whether a borrower has fewer than 500 employees.

³ Only if there are fewer than 500 employees in each location.

⁴ 100% guaranteed until December 31, 2020, after which time standard SBA guarantees will apply.

⁵ The forgiven amount cannot exceed the loan principal and will be reduced proportionally by any reduction in employees or 25% reduction in payroll on June 30, 2020 compared to pre-February 15, 2020 levels.

⁶ Grants may be spent on paid leave, maintaining payroll, costs due to supply chain disruption, mortgage or lease payments or repaying obligations.