

PAYCHECK PROTECTION PROGRAM (PPP) VS. ECONOMIC INJURY DISASTER LOAN (EIDL)

Paycheck Protection Program (PPP):	Economic Injury Disaster Loan (EIDL)
Businesses can apply through their banks beginning April 3 rd , with Independent Contractors and Self-Employed people applying April 10 th .	Businesses, self-employed, and independent contractors can apply now through https://covid19relief.sba.gov/#/
Eligibility: Small businesses & non-profits with under 500 employees. No farms or businesses that filed a Schedule F for their taxes.	Eligibility: Small businesses & non-profits with under 500 employees. No farms or businesses that filed a Schedule F for their taxes.
Lender: SBA-certified bank or Credit Union	Lender: SBA
Application: Paycheck-Protection-Program-Application (attached) that is taken to a bank.	Application: Online at https://covid19relief.sba.gov/#/
Terms for Repayment: 2 years	Terms: Up to 30 years, can be repaid sooner
Maximum amount to borrow: 2.5 times the average payroll expenses for 2019; any employee making over \$100,000 is capped at \$100,000 of eligible payroll expenses	Maximum amount to borrow: Determined by the SBA after application is submitted
Interest: 1%	Interest: 3.75% for businesses, 2.75% for non-profits
Personal Guarantee: None	Personal Guarantee: None for loans up to \$200,000
Payment Deferral: 6 months, interest included	Payment Deferral: 1 year; Interest will accrue
Forgiveness: 100% of the loan is forgiven if the borrower spends the entire loan in 8 weeks; the loan must be spent on payroll costs (75% minimum of the loan), interest on mortgages from 2/15/20 forward, rent or lease payments in place by 2/15/20; and utilities in place before 2/15/20	Forgiveness: None
Timeframe for approvals: 2 weeks	Timeframe for approvals: 3-6 weeks; 3 days for the \$10,000 advance
Eligibility Period: 2/15/20-6/30/20	Payment Advance: A borrower has an option for receiving UP TO \$10,000 as an advance on the EIDL, calculated at \$1k per employee up to the \$10k max. If the borrower is denied the EIDL, the advance does not have to be repaid
Age of business: Must have been operational as of 2/15/20	Eligibility period: 1/31/20-12/31/20
Employee Retention: The number of employees calculated in the 2019 payroll expense for this loan must be the same number of current employees on June 30, 2020. For example, if you calculated 10 employees for 2019, you must have 10 employees on the books by June 30.	Usage: Fixed debts, payroll, accounts payable, and bills that can't be afforded due to COVID-19; cannot be used to pay off existing debts, but can be used for operating loan payments
Work with EIDL: Cannot be used for the same expenses as EIDL. Can apply for and receive both loans. For example, if the PPP is used for 8 weeks from May-June, the EIDL must be used for expenses before or after, or for employees not calculated in the PPP.	Age of business: Can be a new business under 1 year
	Work with PPP: Cannot be used for the same expenses or time period as the PPP. Can apply for and receive both loans. For example, if the PPP is used for 8 weeks from May-June, the EIDL must be used for expenses before or after, or for employees not calculated in the PPP.