COMPARISON OF TWO DIFFERENT FEDERAL DISASTER RELIEF AND STIMULUS PACKAGE OPTIONS FOR COVID-19 ECONOMIC RELIEF FOR NONPROFITS AND SMALL BUSINESSES

OPTION A: ECON0MIC INJURY DISASTER ADVANCE LOANS (EIDL)	QUESTIONS	OPTION B: PAYCHECK PROTECTION PROGRAM LOANS (PPP)
Nonprofits and small businesses	**Who can apply?**	Nonprofits and small businesses
Directly online now with SBA (Small Business Administration): https://disasterloan.sba.gov	**How to apply?**	Through SBA approved banks/ financial institutions starting 4/3/2020 – check participation immediately with your banker
Loan amount set by SBA based on economic injury to borrower between 1/31/2020 (date of National Disaster Declaration) and 12/31/2020 up to $2M	**What is the loan amount?**	2.5 times average monthly payroll costs during 2019; if new business, use 1/1/2020 – 2/29/2020 timeframe to determine monthly payroll costs – exclude any individual salary amount over $100K from the calculation. Example: $20k average payroll = $50k max loan
Most operating expenses during 1/31/2020 – 12/31/2020 (cannot be used to refinance long term debts)	**Eligible use of funds?**	1. Payroll/benefit cost under $100k per employee (at least 75% of the use) 2. Mortgage interest payments or rent 3. Utility payments 4. Interest - preexisting debts
No loan forgiveness (but see emergency cash grant question)	**Can the loan be forgiven?**	Yes - Purpose of program is to protect employees - 8 weeks of eligible costs are forgiven if 2/15/2020 employment level is retained/rehired at similar salaries by 6/30/2020. Separate application required, and amount forgiven is reduced proportionally by number of positions not retained, rehired, or similarly compensated.
Yes – $10k requested at time of application; but if received, reduces PPP forgiveness amount by $10k	**Can you get an Emergency Cash Grant?**	No emergency cash grant (but see loan forgiveness question)

2.75% for nonprofits, 3.75% for small businesses	**What is the interest rate on the amount you must repay?**	1%
Repayment term set by SBA based on the borrower's ability to repay up to 30 years	**What is the loan term?**	2 years
No cost to apply	**What is the cost to apply?**	No cost to apply
12 months	**What is the deferment period before repayments begin?**	6 months
Loans over $200k must be guaranteed or secured by collateral	**Is a personal guarantee or collateral required?**	No guarantee or collateral required
No	**Is there a prepayment penalty?**	No
1. In business before 1/31/2020 2. Impacted by Covid-19	**Are there other requirements?**	1. In business on 2/15/2020 2. Impacted by Covid-19

Notes: Both an Economic Injury Disaster Advance Loan (EIDL) and a Paycheck Protection Program (PPP) Loan can be applied for and received as long as the costs or time periods being paid for by the two programs are different. If you received an EIDL before April 3, 2020, but it was not used for payroll costs, it does not affect your eligibility for a PPP loan. If, on the other hand, you received an EIDL before April 3, 2020, to cover payroll costs, you will be required to refinance the outstanding balance on the EIDL (less the $10k advance because it does not have to be repaid) when you apply for a PPP. 75% of the resulting PPP loan must then be spent on payroll costs, and the amount of the PPP not forgiven will then have to be paid off over 2 years. Also, note that as of the latest update of this comparison chart (4/3/2020), SBA is still adding lenders to the PPP program so you should talk to your own banker immediately and/or check the evolving list of lenders at www.sba.gov. And banks that are participating are likely to give first priority to existing customers. Finally, note that SBA's online list of lenders typically lists participating banks by their headquarters location rather than a branch location which makes it appear that a number of local branches of larger banks are not participating when in fact they are.

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