

‘Economic Injury Disaster Loan’ versus ‘Paycheck Protection Program’ WHAT YOU NEED TO KNOW

Name of the Program	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)
Where to apply	The official website for the Small Business Administration (www.sba.gov)	Any accredited private financial institution, includes banks and cooperatives.
Maximum Loan Amount	\$2,000,000	Loans can be for up to 2.5 times your average monthly payroll costs from the last 12 months. That amount is subject to a \$10 million cap.
Eligible Payroll	N/A	Your average monthly payroll costs from the last year (either the previous 12 months or calendar year 2019). Payroll costs are capped at \$100,000 per year per employee. It does not include payments to independent contractors (as they can file their individual applications).
Duration	30 years	2 years
Initial Moratorium	1 year	6 months
Interest Rate	3.75% for-profit entities 2.75% for nonprofits	1% for any institution
Collateral	Loans over \$25,000	Not required
Personal Guarantees	Loans over \$200,000	Not required

‘Economic Injury Disaster Loan’ versus ‘Paycheck Protection Program’ WHAT YOU NEED TO KNOW (cont.)

Name of the Program	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)
Origination Expenses	None	None
What should the loans funds be used for?	Necessary expenses caused by the emergency. These can include payroll (see <i>use limitations below</i>), rent, other fixed expenses and accounts payable from the operation.	Payroll, interest, rent and utilities.
How much of my loan will be forgiven?	The first \$10,000 are considered as EIDL Advances and are forgiven at the rate of \$1,000 per employee.	The loan proceeds used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is received. The amount to be forgiven is diluted if the number of employees or the expense of payroll is reduced (the latter by over 25%).
Uses not allowed by the program	Funds must not be used to refinance or consolidate debt that precedes the emergency. EIDL funds should not be used to cover PPP-eligible expenses if the applicant is applying for both programs.	Participants commit to use funds only for eligible expenses and 75% must be used on payroll expenses.