



# SBA Disaster Loan Comparison

Small business applicants can apply for Economic Injury Disaster Loans and the Paycheck Protection Program if there are different uses of proceeds for each loan. Funds from the loans cannot be comingled.

- EIDL funds come directly from the U.S. Treasury. Applicants do not apply through a bank.
- Your application to participate in the SBA Paycheck Protection Program is subject to SBA approval.

	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)
<b>Eligibility</b>	Companies with no more than 500 employees, including cooperatives, ESOPs, nonprofit organizations, sole proprietors, the self-employed, and independent contractors	<ul style="list-style-type: none"> <li>• Companies no more than 500 employees, or their applicable employee size standard for their North American Industrial Classification System (NAICS)</li> <li>• 501 (c)(3) non-profits with fewer than 500 employees.</li> <li>• Sole proprietors, the self-employed, and independent contractors</li> <li>• Must have been in operation as of 2/15/20</li> </ul>
<b>Use of Proceeds</b>	Pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.	Payroll, group health benefits, salary and employee commissions, interest on mortgages, rent, utilities, and interest on debt incurred before February 15, 2020.
<b>Maximum Loan Amount</b>	Up to \$2,000,000	The lesser of: <ul style="list-style-type: none"> <li>• \$10,000,000; <b>OR</b></li> <li>• <i>For companies that have been in business for a year:</i> The average monthly payroll for the preceding 12 months multiplied by 2.5; <b>OR</b></li> <li>• <i>For seasonal businesses:</i> Avg. total monthly payroll costs for a 12-week period from 3/1/19–6/30/19 multiplied by 2.5; <b>OR</b></li> <li>• <i>For companies that were not in business before the period February 15, 2019–June 30, 2019:</i> The average monthly payroll for the period January 1, 2020 through February 29, 2020 multiplied by 2.5;</li> </ul> <b>AND</b> The outstanding amount of any emergency loan made from 1/31/20 until 3/27/20.
<b>Limitations on Payroll</b>	None	Payroll costs excludes compensation paid to individuals including the self-employed, above \$100,000
<b>SBA Guaranty Fees</b>	None	None
<b>Rate</b>	3.75% for profit 2.75% non-profit	No more than 4%
<b>Term</b>	Up to 30 years. Terms are case-by-case.	10-year term after application for forgiveness
<b>Payment</b>	Deferred for one year	Deferment permitted for up to one year
<b>Personal Guarantee</b>	Loans over \$200,000 will require a personal guarantee	None
<b>Collateral</b>	Collateral required on EIDL over \$25,000; UCC on all business assets and possibly real estate	None
<b>Forgiveness</b>	An advance of \$10,000 will be provided as a grant within three days of application and is not required to be repaid if loan denied	Equal to the amount spent by the borrower during an 8-week period after the origination date of the loan on payroll costs, interest payment on any mortgage, rent, utilities, or other interest. Forgiveness amount will be reduced by multiplying the loan amount by: Current FTEs divided by FTEs from 2/15/19 to 6/30/19 OR FTEs from 1/1/20 to 2/29/20 Additionally, forgiveness amount is reduced by pay reductions in excess of 25%.
<b>Where</b>	US Treasury <a href="https://disasterloan.sba.gov">disasterloan.sba.gov</a>	Contact Oconee State Bank, Member FDIC