

Comparison of COVID-19 Relief Options available from SBA

PAYCHECK PROTECTION PROGRAM (PPP)		ECONOMIC INJURY DISASTER LOAN (EIDL)
payroll and approved operating expenses	USES	working capital
no collateral required	COLLATERAL	no collateral on loans up to \$25,000 SBA will take best lien available (excluding real estate) on loans over \$25,000
2.5X average monthly payroll for the prior 12 months	AMOUNT	Up to 6 months of operating expenses not to exceed \$2 million
YES	FORGIVABLE	NO – EIDL Loan YES – EIDL Advance
1%	TERMS	3.75% for businesses 2.75% for non-profits
2 years	MATURITY	30 years
Deferred 6 months	FIRST PAYMENT DUE	Deferred 1 year
SBA Approved Bank	APPLY	covid19relief.sba.gov

Uses of Proceeds under the Paycheck Protection Program

Eligible Uses:

- Payroll
- Rent
- Mortgage interest
- Utilities
- Examples: salary, wages, commissions, tips, sick leave, health insurance, retirement, state or local payroll related taxes; electricity, gas, water, transportation, telephone, internet access for service

- **Ineligible Uses:**

- Employer's share of FICA
- Compensation for any employee whose principal residence is outside the US
- Compensation of an individual employee in excess of an annual salary of \$100,000x
- Qualified sick and family leave wages for which a credit is allowed under the Section 7001 and 7003 of the Cares Act
- Examples:

Uses of Proceeds under the Economic Injury Disaster Loan

Eligible Uses:

- Payroll costs including sick leave
- Accounts payable
- Material costs
- Rent or mortgage payments
- Pay pre-existing fixed debt
- Examples: utilities; insurance; regularly scheduled mortgage, equipment, vehicle payments, etc.; repairs and maintenance, supplies, fuel; regularly scheduled rent or lease payments; inventory/accounts for feed, fertilizer, seed, hay, etc.

- **Ineligible Uses:**

- Refinancing long term debt
- Paying down or paying off loans guaranteed by another federal agency or a Small Business Investment Company
- Payment of any part of a direct federal debt
- Expansion of facilities or acquisition of fixed assets
- Repair or replacement of physical damages
- Examples: principal reduction on loans in advance of scheduled terms; purchasing loan term assets (equipment, vehicles, breeding stock, etc.)

Disclaimer: This report and its contents are provided in strict accordance of the terms of the SBDC-SBA Form 641 signed by the client and provided for his/her use only. Any information disclosed will be held in strict confidence. The counselor agrees not to recommend goods/services from sources that he/she has an interest and agrees not to accept any fees or commissions. In consideration of the counselor furnishing management or technical assistance, the client waives all claims against SBA and its personnel arising from this assistance.