

	Eligibility	How much can I borrow?	Terms	Will this loan be forgiven?	Where do I apply?
SBA Economic Injury Disaster Loan Program (EIDL)	<ul style="list-style-type: none"> Basic Requirements: <ul style="list-style-type: none"> Credit history acceptable to SBA. SBA determines business has ability to repay. Physical location requirement. Must have a physical presence in the declared disaster area. NOTE: All U.S. states and territories have been declared disaster areas as a result of COVID-19. Eligible Organizations: <ul style="list-style-type: none"> Small Businesses Small Agricultural Co-ops Small Aquaculture Businesses Most Private Non-Profit Organizations Look to SBA's size standards to determine if organizations qualifies by NAICS code Ineligible Organizations: Agriculture Enterprises, Religious Organizations, Charitable Organizations, Gambling Concerns, Casinos & Race Tracks. Must not be able to get credit elsewhere. Rules for Affiliated Businesses: <ul style="list-style-type: none"> Can be found in 13 CFR § 121.103 (f) 	<ul style="list-style-type: none"> Up to \$2 Million Loan amount based on the size, type of business, and its financial resources. Determined by SBA to be the business's actual economic injury combined with the business's financial need. 	<ul style="list-style-type: none"> Interest rates: <ul style="list-style-type: none"> 3.75% Small Businesses 2.75% Non-profits Collateral required for loans over \$25,000- requires borrowers to pledge what is available, will take real estate. No personal guarantees on advances and loans \$200,000 or less, but do require personal guarantees by owners of more than 20% of the borrower for loans in excess of that amount. Up to maximum 30 years Intended to help you meet necessary financial obligations that you could have met had the disaster not occurred. Can be used to pay fixed debts, payroll, accounts payable, and other bills. Not to be used to replace lost sales, revenue or intended for expansion. First month's payments are deferred a fully year from the date of the promissory note. 	<ul style="list-style-type: none"> No, this loan is not forgivable. Term length of the loan can be up to a maximum of 30 years. Length of the loan to be determined by SBA, who will take into consideration ability to pay back loan. Can be refinanced into PPP loan but portion of loan advanced through Emergency Economic Injury Grant will be subtracted from the amount forgiven under PPP. 	<ul style="list-style-type: none"> No cost to apply, no obligation to take loan if offered. Directly through SBA – not through a lender. <ul style="list-style-type: none"> Apply online: https://disasterloan.sba.gov/ela Call SBA Customer Service Center 800-659-2955 Can have an existing SBA Disaster Loan. EIDL cannot be consolidated with previous disaster loan. Emergency Economic Injury Grants – Grants can provide emergency advance of up to \$10,000 to small business and private non-profits within three days of applying for EIDL. To access advance apply for EIDL and then request the advance. Advance does not need to be repaid under any circumstance – can be used for payroll, sick leave, increased production costs, pay business obligations. Available January 31, 2020 – December 31, 2020.
Paycheck Protection Program (PPP)f – through SBA's 7(a) loan program	<ul style="list-style-type: none"> < 500 employees; or meets SBA's size standard 501(c)(3) < 500 employees Sole Proprietor; Independent Contractor; Self-employed Tribal business concern that meets SBA's size standard 501(c)(19) Veteran Organizations that meets SBA's size standard. Alternatively Sized business – less than \$15m in Net Worth and not more than \$5m average Federal Taxable Income (excluding loss carryovers) over the prior two years. Rules for Affiliated Businesses: <ul style="list-style-type: none"> Can be found in 13 CFR § 121.103 (f) Waiver of affiliated businesses rule: <ul style="list-style-type: none"> Businesses with no more than 500 employees and a NAICS code beginning with 72 (i.e., accommodation and food services businesses) Franchises that have been assigned a franchise identifier code by the SBA; and Businesses that receive financial assistance from an SBIC. Can apply for PP loan and other SBA financial assistance, including EIDLs, 7(a) loans, 504 loans, microloans, and also receive investment capital from Small Business Investment Corporations. Will not look for: that the borrower sought and unable to obtain credit elsewhere 	<ul style="list-style-type: none"> The lesser of \$10,000,000 and an amount calculated based on a payroll formula below. Non Seasonal Employers = 2.5 x Average total monthly payroll costs incurred during the 12 months prior to the loan date or calendar 2019. Seasonal Employers = 2.5 x Average total monthly payments for payroll costs for the 12-week period beginning February 15, 2019 or March 1, 2019 (decided by the loan recipient) and ending June 30, 2019. For business not operational in 2019: 2.5 x Average total monthly payroll costs incurred for January and February 2020. Any other outstanding SBA 7(a) loans should also be added to the payroll sum for comparison against the \$10m limit. 	<ul style="list-style-type: none"> Interest rate will be 1% APY. Term of the loan will be 2 years, with no payments for the first 6 months. Amounts not forgiven will be payable in 18 equal installments Will not require a personal guarantee, or collateral Can be used to pay payroll costs (as previously defined), mortgage interest payments (but not prepayment of or payment of principal on a mortgage obligation), rent, utilities, and interest on any other debt obligations that were incurred before the covered period. Cost that are not eligible: employee/owner compensation over \$100,000, taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code, compensation of employees whose principal place of residence is outside of the U.S., qualified sick and family leave for which a credit is allowed under 7001 and 7003 of CARES Act. No collateral or personal guarantee. Cannot use a PP loan for the same purpose as your other SBA loan(s). Payment deferral: SBA will direct lenders to defer all payments (principal, interest and fees) otherwise due for 6 months on all SBA 7(a) Loans. 	<ul style="list-style-type: none"> Yes, borrowers are eligible for loan forgiveness. Must apply through lender. Documentation required. The amount forgiven = the amount the borrower spend on the following during the 8-week period beginning on the loan origination date. <ul style="list-style-type: none"> Payroll costs as calculated for the max loan amount Interest on mortgage obligation, rent on leasing agreement, payment on utilities, additional wages for tipped employees. Non-payroll costs cannot exceed 25% of the forgiveness. The amount of loan forgiveness calculated is reduced if there is a reduction in the number of employees or reduction > 25% in wages paid to employees. <ul style="list-style-type: none"> Exception: Reduction in employment or wages that occur during Feb 15, 2020 and 30 days after CARES enactment – will not reduce loan forgiveness if by June 30, 2020 the borrower eliminates reduction. Any loan that has remaining principal balance after loan forgiveness must have a maturity date 2 years from the date the borrower applied for loan forgiveness with a 1.0% interest rate. 	<ul style="list-style-type: none"> Through a lender – more guidance to be issued soon <ul style="list-style-type: none"> Lenders already authorized to make loans under SBA's existing 7(a) loan program are automatically eligible – Department of Treasury in charge of authorizing new lenders. Fees: SBA will not charge any fees – participating lenders will be entitled to charge a fee as a % of original principal balance. 100 % of the loan is guaranteed. Waives annual or guarantee fees for the loan and all prepayment penalties. Evaluating eligibility – lenders will consider whether the borrower was operation before February 15, 2020, and had employees for whom they paid salaries and payroll taxes or paid independent contractors. Good faith certification: current economic uncertainty makes the loan necessary to support ongoing operations, used to retain workers and maintain payroll or make mortgage, lease, or utility payments., does not have an application pending for a loan duplicative of purpose and amounts applied here, from February 15, 2020 – December 31, 2020, the borrower has not received a loan for duplicative purpose and amount applied here. (Opportunity to fold emergency loan between Jan 31, 2020 and date available into a new loan).



ECONOMIC INJURY DISASTER LOAN V. PAYCHECK PROTECTION PROGRAM