

CARES Act – Summary Information

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SBA Loan Options	Economic Injury Disaster Loans (EIDLs)	Paycheck Protection Program (PPP)	SBA Express Loan
<p>Type of business eligible:</p>	<p>Most for profit small business concerns.</p> <p>For the EIDL program, eligible "private non-profit organizations" include any entity exempt under section 501(c), including the trade associations, advocacy organizations, unions, and social clubs that are excluded from the Payroll Protection Program.</p> <p>The EIDL program also includes certain organizations tax-exempt under 501(d) (apostolic organizations) or 501(e) (cooperative hospital service organizations) 501c3, 501c6 / private nonprofits.</p>	<p>Most small business concerns, nonprofit (501(c)(3)), veterans organization (501(c)(19)), or Tribal business concern meeting small business size standard.</p> <p>https://www.sba.gov/size-standards/</p>	<p>For profit only.</p>



	Economic Injury Disaster Loans (EIDLs)	PPP	SBA Express Loan
Loan Size:	Up to \$2M	Lesser of \$10M and 2.5 times size average monthly payroll costs for the one year period before the loan is made.	Up to \$1M (normally \$350K increased via CARES Act)
Who makes the loan:	<p>Direct by SBA / US Treasury; https://www.sba.gov/page/disaster-loan-applications#section-header-0</p> <p>Filing deadline December 16, 2020.</p>	<p>Banks / Lenders currently authorized to make 7(a) loans.</p> <p>Available beginning Friday, April 3rd.</p> <p>The program expires on June 30, 2020.</p>	<p>Banks / Lenders currently authorized to make 7(a) loans are automatically approved to make PPP Loans.</p>



	Economic Injury Disaster Loans (EIDLs)	PPP	SBA Express Loan
Interest Rate / Term:	3.75% For Profit; 2.75% Not for profit. EID Loans provide long-term repayments, up to a maximum of 30 years. Payment terms are determined on a case-by-case basis.	4% Maximum Rate 10 year term	Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum
Loan Repayment:	SBA's standard "no credit elsewhere" test is waived. First payment will be deferred and not become due until one year after the original disbursement. Interest does accrue during this time.	SBA's standard "no credit elsewhere" test is waived. No personal guarantee or collateral required. Lenders defer fees, principal, and interest for no less than 6 months and no more than 1 year.	Up to seven years with maturity extensions permitted at the outset
Collateral / Guarantee?	<u>Personal Guarantees</u> : Required for loans of more than \$200,000. <u>Collateral</u> : Generally required for EID Loan, <i>if available</i> , although may not apply to EID Loans of \$25,000 or less.	<u>Personal Guarantees</u> : No personal guarantees. <u>Collateral</u> : No collateral.	Lenders may require collateral.



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Use of Funds	EID Loans may be used to pay (1) fixed debts; (2) payroll, (3) accounts payable and (4) other bills that can't be paid because of the disaster's impact. The loan may not be used for refinancing, expansion, growth of any kind, or infrastructure improvements.	Businesses may, in addition to uses already allowed under the SBA's 7(a) Business Loan Program, use the loans for: (1) payroll costs; (2) continuation of group health care benefits during periods of paid sick, medical, or family leave, or insurance premiums; (3) salaries or commissions or similar compensation; (4) interest on mortgage obligations; (5) rent; (6) utilities; and (7) interest on other outstanding debts.	Providing long-term working capital; Providing short-term working capital <i>Seasonal financing, contract performance, construction financing, and/or export;</i> Purchasing real estate; Purchasing equipment, furniture, machinery, supplies, and materials Covering construction and/or renovation costs Establishing or acquiring a new business, or expanding an existing business



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Loan Forgiveness	<p>EIDL is not forgivable.</p> <p>Exception: Emergency Advance. Applicants may request an emergency advance from the SBA of up to \$10,000, which does not have to be repaid, even if the loan application is later denied. Advances are to be awarded within 3 days of an application.</p>	<p>Borrowers are eligible for loan forgiveness equal to the amount spent by the borrower during the 8-week period beginning on the date the loan is originated. The following costs are subject to forgiveness: (1) payroll costs (including additional wages paid to tipped employees); (2) interest on any mortgage obligation; (3) rent; and (4) utilities payment.</p>	<p>Not forgivable.</p>



	EIDL	PPP	SBA Express Loan
Detailed Information:	https://www.uschamber.com/co/run/business-financing/coronavirus-emergency-loans	https://chambermaster.blob.core.windows.net/userfiles/UserFiles/chambers/2749/CMS/COVID19/CARES-checklist.pdf	https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans#section-header-4





Thank You!

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