

What Exactly Do PPP and EIDL SBA Loans Offer?

Compare the Paycheck Protection Program and Economic Injury Disaster Loans.
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	PAYCHECK PROTECTION PROGRAM (PPP)	ECONOMIC INJURY DISASTER LOANS (EIDL)
Who can apply	Small business, including sole proprietors, independent contractors and eligible self-employed workers (who can apply for their own PPP loan), ag businesses, religious organizations and others	Small businesses, including sole proprietorships, independent contractors and eligible self-employed workers
What's offered	Up to \$10 million in loans for payroll and related benefits, interest on mortgages and other debts, leases and utility payments in place before Feb. 15, 2020.	\$10,000 emergency advance and up to \$2 million for working capital (for fixed debt, payroll, etc.). This money appears to be more flexible than PPP in what it will cover, but it doesn't cover lost sales.
What's forgiven	Loans are forgivable up to 100% if no employees are laid off or if laid off employees are rehired. Loan forgiveness will be reduced if you lay off workers or cut salaries during this period.	\$10,000 emergency advance
What you must repay	Loans are forgiven if you meet the above criteria. You'll have to track expenses for 8 weeks, return them to the lender and apply; if all that's accepted, it will be forgiven.	The other part of the loan: \$2 million in working capital
Interest rate	1% for the portion that's not forgiven	3.75% for-profits; 2.75% nonprofits
Loan term	2 years	30 years
Deferments	6-month deferment (interest will start accruing at the beginning of the loan), with maximum deferrals for up to 1 year	Automatic 1-year deferment on repayment, though interest will accrue during that time
Collateral	No	Collateral taken on loans that are \$25,000 and up
Personal Guarantees	No	Waived for loans under \$200,000
How to apply	Apply through eligible lenders, which you can find here: www.sba.gov/paycheckprotection/find	Apply through the SBA here: covid19relief.sba.gov/#/