

Quick Comparison Guide for Economic Injury Disaster Loans and Paycheck Protection Program Loans

Item	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)
Program Overview	EIDL provides small businesses and nonprofit organizations with working capital loans that can provide vital economic relief to help overcome the temporary loss of revenue.	PPP is a loan designed to provide a direct incentive for small businesses and nonprofit organizations to keep workers on the payroll.
Eligibility	<ul style="list-style-type: none"> ● Small businesses ● Small agricultural cooperatives ● Most private non-profit organizations ● Must have been in business when the disaster declaration went into effect ● Suffered working capital losses due to declared disaster 	<ul style="list-style-type: none"> ● Business with less than 500 employees or meet applicable size standards for industry ● Businesses in accommodation and food service industries with more than one physical location but no more than 500 employees at each location ● Nonprofit organizations ● Eligible independent contractors and sole proprietors ● Were in operation on February 15, 2020
Max Loan Amount	Up to \$2 million (may also qualify for an immediate advance loan of up to \$10,000)	Up to 2.5x monthly payroll expenses, up to \$10 million
Forgiveness Amount	<p>The Economic Injury Disaster Advance Loan is available up to \$10,000. These loan funds will be available within 3 three days of successful application and will not have to be repaid.</p> <p>There is no forgiveness available on the remainder of the EIDL loan funds.</p>	<p>SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll).</p> <p>Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.</p>

Terms	<ul style="list-style-type: none"> ● 3.75% interest rate ● 2.75% interest rate for nonprofits ● Up to 30 years repayment ● First payment deferred for one year 	<ul style="list-style-type: none"> ● 1% interest rate ● Up to 2 years repayment ● First payment deferred for six months
Use of funds	<ul style="list-style-type: none"> ● Fixed debts ● Payroll ● Accounts Payable ● Other bills that could have been paid had disaster not occurred 	<ul style="list-style-type: none"> ● Qualified payroll costs ● Rent ● Utilities ● Interest on Mortgage ● Other debt obligations
Collateral	<ul style="list-style-type: none"> ● Required over \$25,000 ● Collateral can have existing liens ● Lack of collateral not a reason for decline 	None
Personal Guarantees	Only for loans greater than \$200,000	None
How to apply	<p>Directly on the SBA website</p> <p>The application will now automatically apply for both the EIDL and the advance loan.</p>	<p>You can apply through:</p> <ul style="list-style-type: none"> ● Existing SBA lenders ● Federally insured credit unions ● Participating Farm Credit System institutions ● Other regulated lenders once they are approved and enrolled in the program <p>You should consult with your local lender as to whether it is participating. Find lenders here.</p>
Cost to apply	None	None
When to apply	Apply now	April 3, 2020 for small businesses and sole proprietorships, and April 10, 2020 for independent contractors and self-employed individuals

Application Deadline	December 31, 2020	June 30, 2020, but apply as soon as possible because there is a cap on funding
Do you have to accept?	No, even if you accept the advance loan funds	No
Prepayment Penalty	None	None

Find additional information on PPP [here](#).

Find additional information on EIDL [here](#).

Can I apply for both the EIDL and the PPP?

If you received an SBA EIDL loan from January 31, 2020 15 through April 3, 2020, you can apply for a PPP loan. If your EIDL loan was not used for payroll costs, it does not affect your eligibility for a PPP loan. If your EIDL loan was used for payroll costs, your PPP loan must be used to refinance your EIDL loan. Proceeds from any advance up to \$10,000 on the EIDL loan will be deducted from the loan forgiveness amount on the PPP loan.

Find additional information about PPP, EIDL, and other resources in guides below:

[Evanston Business COVID-19 Resource Guide](#)

[Evanston Business COVID-19 Resource Checklist](#)