

PAYCHECK PROTECTION PROGRAM (PPP) VS. ECONOMIC INJURY DISASTER LOAN (EIDL)

VS. BUSINESS & INDUSTRY CARES ACT PROGRAM (BICAP)

| Paycheck Protection Program (PPP): | Economic Injury Disaster Loan (EIDL) | Business & Industry CARES Act Program (BICAP) |
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| Eligible businesses, independent contractors, & self-employed individuals can apply now through their SBA-approved bank | Only agricultural businesses and affiliations can apply now through https://covid19relief.sba.gov/#/ | Eligible businesses apply through any federal or state-supervised lender |
| Eligibility: Small businesses & non-profits with under 500 employees. No farms or businesses that filed a Schedule F for their taxes. | Eligibility: Only agricultural businesses can apply | Eligibility: Co-op, corporation, partnership, for profit or non-profit, Indian tribe, public body, or an individual -Citizen or legal resident -Rural area (city or town with under 50k population) -Agricultural businesses are eligible if the loan's request exceeds Farm Service Agency (FSA) loan authority or they are ineligible for FSA loans |
| Lender: SBA-certified bank or Credit Union | Lender: SBA | Lender: Federal or state-supervised institution |
| Terms for Repayment: 2 years | Terms: Up to 30 years, can be repaid sooner | Terms for Repayment: Up to 10 years |
| Maximum amount to borrow: 2.5 times the average payroll expenses for 2019; any employee making over \$100,000 is capped at \$100,000 of eligible payroll expenses | Maximum amount to borrow: Determined by the SBA after application is submitted | Maximum amount to borrow: 12 times the monthly average operating costs, up to \$25M; If B&I loan exists, combined loans cannot exceed \$25M |
| Interest: 1% | Interest: 3.75% | Interest: Determined by lender |
| Personal Guarantee: None | Personal Guarantee: None for loans up to \$200,000 | Collateral: 100% of borrowed amount |
| Payment Deferral: 6 months, interest included | Payment Deferral: 1 year; Interest will accrue | Payment Deferral: 1 year of principal and interest; 2 additional years of principal deferment |
| Forgiveness: 100% of the loan is forgiven if the borrower spends the entire loan in 8 weeks; the loan must be spent on payroll costs (75% minimum of the loan), interest on mortgages from 2/15/20 forward, rent or lease payments in place by 2/15/20; and utilities in place before 2/15/20 | Forgiveness: None | Forgiveness: None |
| Timeframe for approvals: 2 weeks | Timeframe for approvals: 3-6 weeks | Timeframe for approvals: 1-2 weeks |
| Eligibility Period: 2/15/20-6/30/20 | Payment Advance: A borrower has an option for receiving UP TO \$10,000 as an advance on the EIDL, calculated at \$1k per employee up to the \$10k max. If the borrower is denied the EIDL, the advance does not have to be repaid | Eligibility Period: 5/22/20-9/30/21 |

| Paycheck Protection Program (PPP): | Economic Injury Disaster Loan (EIDL) | Business & Industry CARES Act Program (BICAP) |
|---|---|--|
| Age of business: Must have been operational as of 2/15/20 | Eligibility period: 1/31/20-12/31/20 | Age of business: Must have been operational as of 2/15/20 |
| Employee Retention: The number of employees calculated in the 2019 payroll expense for this loan must be the same number of current employees on June 30, 2020. For example, if you calculated 10 employees for 2019, you must have 10 employees on the books by June 30. | Usage: Fixed debts, payroll, accounts payable, and bills that can't be afforded due to COVID-19; cannot be used to pay off existing debts, but can be used for operating loan payments | Usage: (i) Wages, salaries, sales commissions to employees, group healthcare benefits, and other employee benefits; (ii) Administrative expenses and administrative service contracts; (iii) Property insurance, hazard insurance, and other business insurance; (iv) Principal and interest payments excluding owner/stockholder debt and related-party debts; (v) Rent, payments on leases, and routine maintenance; (vi) Utilities; (vii) Inventory, feed, seed, fertilizer and chemicals, livestock (excluding livestock for breeding) and supplies; (viii) Marketing, shipping, and other expenses incurred through normal business operations or such additional expenses due to the national COVID-19 Public Health Emergency; (ix) Taxes; and (x) Loan costs and essential loan-related expenses. |
| Work with EIDL: Cannot be used for the same expenses as EIDL. Can apply for and receive both loans. For example, if the PPP is used for 8 weeks from May-June, the EIDL must be used for expenses before or after, or for employees not calculated in the PPP. | Age of business: Can be a new business under 1 year | Work with EIDL & PPP: Any amounts received under EIDL or PPP will be reduced from the maximum amount eligible under BICAP |
| | Work with PPP: Cannot be used for the same expenses or time period as the PPP. Can apply for and receive both loans. For example, if the PPP is used for 8 weeks from May-June, the EIDL must be used for expenses before or after, or for employees not calculated in the PPP. | |