

# SBA Program Comparisons: Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL)

Information as of April 1, 2020	PPP	EIDL
Eligibility	<ul style="list-style-type: none"> <li>U.S. businesses, 501(c)(3) nonprofits, tribal businesses, sole proprietors, contractors and veterans' organizations with &lt;500 employees or meeting current SBA size standards</li> <li>Affiliation rules apply, except for:               <ul style="list-style-type: none"> <li>Hospitality/dining firms in NAICS 72</li> <li>Franchises assigned an SBA franchise ID</li> <li>Businesses receiving SBIC assistance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>U.S. businesses, 501(c)(3) nonprofits, tribal businesses, sole proprietors, contractors, ESOPs, small agricultural cooperatives with &lt;500 employees or meeting current SBA size standards</li> <li>Affiliation rules do apply</li> </ul>
Loan Amount	2.5x average monthly payroll over last year with a maximum of \$10MM <ul style="list-style-type: none"> <li>Seasonal and more recently established businesses can use alternative period</li> <li>Payroll includes wages (individual payrolls capped at \$100k), health insurance payments, retirement payments, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Up to \$2MM as determined by the SBA based on need and repayment capacity</li> </ul>
Purpose of Loan	<ul style="list-style-type: none"> <li>Payroll support, including paid sick, medical or family leave and costs related to continuation of group healthcare benefits, salaries, mortgage payments, rent, utilities and certain other existing debt obligations</li> </ul>	<ul style="list-style-type: none"> <li>Working capital needed until resumption of normal operations, paid sick leave, payroll, increased costs to obtain materials due to interrupted supply chains, to pay obligations that cannot be met due to revenue loss and for other uses, rent or mortgage payments</li> </ul>
Collateral/Guarantee	<ul style="list-style-type: none"> <li>No collateral</li> <li>No guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Collateral taken on loans &gt;\$25k</li> <li>Guarantee required on loans &gt;\$200k</li> </ul>
Interest Rates & Fees	<ul style="list-style-type: none"> <li>The interest rate for Paycheck Protection Program loans is set by the SBA and is currently 0.50% with a maximum of 4.00% fixed; this information is accurate and updated as of April 1, 2020</li> <li>No participation fees or prepayment fees</li> <li>P&amp;I deferred for 6–12 months</li> </ul>	<ul style="list-style-type: none"> <li>3.75% for businesses, 2.75% for nonprofits</li> <li>No participation fees or prepayment fees</li> <li>P&amp;I deferred for 12 months</li> </ul>
Tenor	<ul style="list-style-type: none"> <li>The unforgivable portion of the PPP loan can currently be repaid over 2 years; the SBA sets this payback period, and it cannot exceed 10 years</li> </ul>	<ul style="list-style-type: none"> <li>Term of loan not to exceed 30 years</li> </ul>
Forgiveness/Grants	<ul style="list-style-type: none"> <li>Up to 100% of the principal amount of the loan may be forgiven if you use the proceeds on qualifying expenses; guidance indicates a limit of 25% of the forgiven amount that may be for non-payroll costs</li> <li>Forgiven loan amounts will be reduced by reductions in employees and wages, can be mitigated by re-hiring by June 30, 2020</li> <li>Canceled indebtedness will not be included in borrowers' taxable income</li> </ul>	<ul style="list-style-type: none"> <li>Up to \$10,000 forgivable grant may be provided in addition to the EIDL to be used for paid sick leave, payroll, increased costs due to interrupted supply chains, rent or mortgage payments, repaying obligations that cannot be met due to revenue losses</li> <li>For applicants subsequently receiving a PPP loan, PPP forgiveness will be reduced by the amount of this grant</li> </ul>
How to Apply	Lenders may begin processing loan applications as soon as April 3. For more information, visit <a href="https://pnc.com/paycheckprotectionprogram">pnc.com/paycheckprotectionprogram</a>	Apply directly with SBA.gov at <a href="https://covid19relief.sba.gov">covid19relief.sba.gov</a>