

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

Information as of April 3, 2020	PPP	EIDL
Eligibility	<ul style="list-style-type: none"> Small and medium-sized businesses that were in operation on or before February 15, 2020 with 500 or fewer full- or part-time employees (independent contractors can apply on their own and do not count towards the employee count), are generally eligible to apply for this loan Additionally, the business must have paid salaries and payroll taxes or paid independent contractors (as reported on Form 1099-MISC) 	<ul style="list-style-type: none"> U.S. businesses, 501(c)(3) nonprofits, tribal businesses, sole proprietors, contractors, ESOPs, small agricultural cooperatives with <500 employees or meeting current SBA size standards Affiliation rules do apply
Loan Amount	<ul style="list-style-type: none"> 2.5x average monthly payroll over last year with a maximum of \$10MM Seasonal businesses and businesses not in operation from February 15, 2019, to June 30, 2019, are subject to a different measurement period for purposes of determining average monthly payroll Your monthly payroll includes wages, tips, group health, retirement benefits and employer-paid taxes, but excludes the amount of compensation to individuals in excess of \$100,000. 	<ul style="list-style-type: none"> Up to \$2MM as determined by the SBA based on need and repayment capacity
Purpose of Loan	<ul style="list-style-type: none"> Payroll costs (at least 75% of all loan proceeds must be used for payroll costs) <ul style="list-style-type: none"> Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums Mortgage interest payments (but not mortgage prepayments or principal payments) Rent payments Utility payments Interest payments on any other debt obligations that were incurred before February 15, 2020; and/or Refinancing an SBA Economic Injury Disaster Loan (EIDL) made between January 31, 2020, and April 3, 2020. 	<ul style="list-style-type: none"> 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
Collateral/Guarantee	<ul style="list-style-type: none"> No collateral No guarantee 	<ul style="list-style-type: none"> Collateral taken on loans >\$25k Guarantee required on loans >\$200k
Interest Rates & Fees	<ul style="list-style-type: none"> The interest rate for Paycheck Protection Program loans is set by the SBA and is 1.00%. No participation fees or prepayment fees P&I deferred for 6 months 	<ul style="list-style-type: none"> 3.75% for businesses, 2.75% for nonprofits No participation fees or prepayment fees P&I deferred for 12 months
Tenor	<ul style="list-style-type: none"> Any amount not forgiven will have an interest rate of 1.00% fixed for a period of 2 years. Payments will be deferred for 6 months following origination 	<ul style="list-style-type: none"> Term of loan not to exceed 30 years
Forgiveness/Grants	<ul style="list-style-type: none"> Up to 100% of the principal amount and any accrued interest of the loan may be forgiven if you use the proceeds on qualifying expenses There are certain actions that may reduce the amount of forgiveness, such as reducing the number of employees or reducing employee salaries or wages Only up to 25% of the forgiven loan amount can be for non-payroll costs 	<ul style="list-style-type: none"> 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 For applicants subsequently receiving a PPP loan, PPP forgiveness will be reduced by the amount of this grant
How to Apply	Lenders may begin processing loan applications as soon as April 3. For more information, visit pnc.com/paycheckprotectionprogram	Apply directly with SBA.gov at covid19relief.sba.gov