

SBA COVID-19 Related Programs
Chart No. 4

Program	Source of Funds	Purpose	Requirements
Economic Injury Disaster Loan (EIDL)	Coronavirus Preparedness and Response Supplemental Appropriations Act (CPRSAA) allocates \$20 million to the SBA to establish the EIDL program.	<p>Provides economic support to small businesses to help overcome the temporary loss of revenue they are experiencing as a result of the COVID-19 pandemic.</p> <p>EIDL advance funds will be made available within days of a successful application, and this loan advance will not have to be repaid.</p>	<p>This EIDL program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19.</p> <p>Faith-based organizations, including houses of worship, are eligible to receive SBA loans under EIDL program.</p>
Payroll Protection Program (PPP)	Coronavirus Aid, Relief, and Economic Security Act (CARES) Act allocates \$350 billion for the SBA to establish the PPP.	<p>Designed to provide a direct incentive for small businesses to keep their workers on the payroll by providing loans of up to \$10 million per business.</p> <p>The PPP was amended by the PPP Flexibility Act on June 5, 2020. As amended, the SBA will forgive loans if 60% of the loan proceeds are used for payroll expenses and up to 40% are used for payroll, rent, mortgage interest, or</p>	<p>Businesses apply for the PPP loans through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program.</p> <p>The following entities affected by COVID-19 may be eligible:</p>

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		<p>utilities. With the Amendment, borrowers now have 24 weeks, or until December 31, 2020, to restore their workforce to COVID-19 levels, rather than the original 8 weeks, or until June 30, 2020.</p>	<ul style="list-style-type: none"> ○ Any small business concern that meets SBA’s size standards (either the industry based sized standard or the alternative size standard) ○ Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) that meets the SBA size requirements ○ Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location; and ○ Sole proprietors, independent contractors, and self-employed persons <p>Faith-based organizations, including houses of worship, are eligible to receive SBA loans under the PPP program.</p>

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Summary		
	EIDL	PPP as amended by PPP Flexibility Act (June 5, 2020)
Apply	SBA.gov/disaster	Local bank
Allows	Employee retention credit	Forgiveness
Maximum	<ul style="list-style-type: none"> • Up to \$2 million tied to business economic injury from COVID-19 	<ul style="list-style-type: none"> • 2.5x average monthly payroll plus balance of existing EIDL loan • \$10 million cap
Interest rate	<ul style="list-style-type: none"> • 501(c)(3) –2.75% • Businesses – 3.75% 	1.0%
Terms	Extendable up to 30 years	5 years
Payment Deferral	Can be deferred up to 1 year	Automatic 6 month deferral from date borrower is told amount of loan forgiveness.