Key Differences: PPP and EIDL

	PAYCHECK PROTECTION PROGRAM (PPP)	ECONOMIC INJURY DISASTER LOANS (EIDL)
Loan Amount	• Up to 2.5 months of payroll cost[1] with a maximum of $10 million	• Up to $2 million, based on actual economic injury determined by SBA
Loan Term	• Up to 10 years by statute, but the SBA indicates most loans will be 2 years	• Up to 30 years
Eligible Borrowers	• All small businesses in operation as of 2/15/20 with fewer than 500 employees[2] • All SBA qualified small businesses • NAICS 72 sector businesses (Accommodations and Food Service) with not more than 500 employees per location • 501(c)(19) veteran groups, 501(c)(3)s, and tribal businesses with fewer than 500 employees • Self-employed individuals • Independent contractors • Sole proprietorships	• All SBA qualified small businesses • Private nonprofit organizations • ESOPs fewer than 500 employees • Independent contractors • Sole proprietorships • Tribal businesses
Application Process	• Issued directly by SBA-approved banks • Loan fees waived • Most banks to start accepting applications 4/3/20 or the week of 4/6/20	• Issued by the SBA, approval solely on credit score and financial need • Loan fees, requirement to show need, and one-year of operations waived
Collateral	• No collateral	• Collateral required for loans more than $25,000, but SBA is waiving collateral requirements in many cases
Personal Guaranty	• No personal guaranty	• Required for loans more than $200,000, by owners of greater than 20%
Interest	• 4% capped by statute, with SBA indicating most loans will be charged 1%	• 3.75% for businesses; 2.75% for nonprofits
Forgiveness/Grants	• SBA will provide eight weeks of loan forgiveness for funds applied to payroll cost, mortgage interest, rent, and utility expenses incurred after receiving funding[3]	• SBA may provide up to $10,000 in emergency grants to EIDL applicants that need it • Applicants do not need to repay the grants even if the loan application is denied, but grants will be credited towards the maximum forgivable amount under any PPP loan[4]
Deferred Payments	• Automatic deferral of principal/interest payments for six months	• Automatic deferral of principal/interest for all of 2020; up to one year
Uses	• Payroll costs, mortgage interest, rent, and utility expenses	• Working capital, inventory, equipment purchases, real estate payments, and other operating expenses
Availability	• Available only until 6/30/20	• Grants only available until 12/31/20

[1] Payroll costs include: salary, wage, commission, or other compensation, payments of cash tips, payments for vacation, parental family, medical, or sick leave, allowance for dismissal, healthcare benefits (including premiums), retirement benefits and payroll taxes, but exclude compensation to any individual employee in excess of $100,000/year, and compensation to employees with primary residence outside of the United States.
[2] SBA will include employees of affiliates for purposes of determining whether a borrower has fewer than 500 employees.
[3] The forgiven amount cannot exceed the loan principal and will be reduced proportionally by any reduction in employees or 25% reduction in payroll on June 30, 2020 compared to pre-February 15, 2020 levels. Additionally, the SBA has indicated that at least 75% of the forgiven amount needs to be spent on payroll costs only.
[4] Grants may be spent on paid leave, maintaining payroll, costs due to supply chain disruption, mortgage or lease payments, or repaying obligations.