

Comparison of SBA relief programs available under the CARES Act (The Coronavirus Aid, Relief, and Economic Security Act)

Economic Injury Disaster Loans	Paycheck Protection Loan Program
How to apply?	
Direct with SBA	SBA approved Financial Institution
Maximum loan amount?	
\$2 mm for nonprofits established prior to 1/31/2020	\$10 mm available through 6/30/2020
Advance option?	
Up to \$10,000 (Not required to repay if application is ultimately denied)	No
What can the loan be used for?	
<p>Can be used to cover business costs including:</p> <ul style="list-style-type: none"> • Fixed debts • Payroll • Accounts payable • Employee sick leave • Other obligations that cannot be paid due to the disaster 	<p>Can be used to cover business costs including:</p> <ul style="list-style-type: none"> • Payroll costs (pro-rated based on a maximum employee annual salary of \$100,000) • Cost of group health care benefits during periods of paid sick, medical or family leave and of insurance premiums • Interest on Mortgages or other debt obligations incurred prior to Feb 15, 2020 • Rent and utilities
What are the underwriting requirements?	
<p>To be eligible the following may be reviewed:</p> <ul style="list-style-type: none"> • Have been in business prior to Jan 31, 2020 • Credit history • Prior tax filing • Ability to repay loan • Physically located in declared disaster area • Evidence of working capital losses due to the declared disaster, not due to a downturn in the economy or other reason 	<p>Business must demonstrate that it is unable to obtain credit elsewhere. Applicant must make a good faith certification that:</p> <ul style="list-style-type: none"> • The loan is necessary to support the ongoing operation of the business due to the current disaster • Loan proceeds will be used to retain workers and maintain payroll, mortgage payments, lease payments or utilities

<ul style="list-style-type: none"> • Private nonprofit eligibility – There is language on SBA distributed collateral that states “private” non-profits are eligible. However, the SBA website does not distinguish between private and public nonprofits. Need to confirm. • Existing credit lines – SBA distributed collateral states that businesses with credit available elsewhere are not eligible. Need to confirm is this is accurate and if it applies to nonprofits. 	
<p>Is a personal guarantee or collateral required?</p>	
<ul style="list-style-type: none"> • Yes, personal guarantee requirement varies by loan amount. No liens taken against real estate owned by guarantor • Possible lien placed against assets of the business. Need to confirm. 	<p>No, the CARES Act waives the need for a personal guarantee or collateral</p>
<p>Is the loan forgivable?</p>	
<p>No, not as current language reads. Need to confirm.</p> <p>The \$10,000 advance payment is NOT required to be repayed if the application is not approved.</p>	<p>Yes, eligible for partial forgiveness. Provides that the Government will forgive the amount of the loan that recipient can document was used to pay:</p> <ul style="list-style-type: none"> • Payroll costs (needs further definition) • Mortgage interest • Rent and utilities <p>Eligible loan forgiveness period is 8 weeks from loan origination date. There will be a forgiveness application process</p>
<p>What is the interest rate?</p>	
<p>2.75% for non profits</p>	<p>Up to 4%</p>
<p>What is the term of the loan?</p>	
<p>Up to 30 years</p>	<p>Up to 10 years</p>
<p>How long does the application process take?</p>	
<p>2 to 3 weeks</p>	<p>Unknown</p>