



NECA Fact Sheet

Comparison of Loans: EIDL and PPP

	Economic Injury Disaster Loan (EIDL)	Coronavirus Aid, Relief, and Economic Security Act: Paycheck Protection Program (PPP)
What is it?	Loan program for small businesses that have sustained substantial economic injury due to a disaster such that the business is unable to meet its obligations and pay ordinary expenses	\$350 billion loan program for small businesses
Who is eligible?	Any small business, as defined by the SBA Eligibility is subject to aggregation with affiliated entities, with limited exceptions	Employers with fewer than 500 employees (unless the SBA allows a higher number for the applicable industry) Eligibility is subject to aggregation with affiliated entities, except for: • Businesses operating as a franchise with a franchise identifier code assigned by the SBA
Where do I apply?	Apply online at https://disasterloan.sba.gov/ela/	Apply through thousands of banks across the country providing small business loans
How much can I get?	Up to \$2 million based on working capital needs	250% of your average monthly payroll for the period February 15, 2019, to June 30, 2019; capped at \$10 million Special calculations apply for seasonal businesses and businesses not open during period above
How can I use the money?	Business-related needs Any EIDL Loan obtained between February 15, 2020 and June 30, 2020, may be refinanced into a PPP loan	Any business-related expense between February 15 and June 30, 2020, but only amounts spent on certain expenses will be eligible for forgiveness (see below)



3 Bethesda Metro Center
Suite 1100
Bethesda, MD 20814
301-657-3110 • www.necanet.org

	Economic Injury Disaster Loan (EIDL)	Coronavirus Aid, Relief, and Economic Security Act: Paycheck Protection Program (PPP)
Interest rate	3.75%	< 4%
Collateral	Likely	No
Personal guarantee	No	No
Upfront loan fees	No	No
When will I receive funds?	Payout is monthly or quarterly and any advance (up to \$10,000) will be made within three days of application	TBD; but expected sooner than EIDL
What if I don't have many employees?	May be better for asset-heavy/employee-light businesses	May be better for employee-heavy businesses
Will this be forgiven?	No	Yes — the amount forgiven is based on the ratio of headcount maintained during the eight-week period
What can be forgiven?	N/A	Eight weeks of eligible expenses; (payroll, utilities, rent and mortgage interest)
Deferment	Deferred for one year	Deferred for six to 12 months
Can I utilize payroll tax credits with this loan?	Yes	No
Term	15-30 years	10 years for amount that is not forgiven
Pre-payment penalty	No	No

How Does it All Work Together?

Family Rebates

- Checks equal to \$1200/adult & \$500/child
- Phases out after \$75k/single & \$150k/married
- Based on 2019 return

You can get both

Reduces Forgiveness

Increased UI Payments

- Standard UI plus \$600 per week for four months
- Extra 13 weeks of UI thru 12/31
- Funds to states to speed UI applications

Business Tax Provisions

- NOLs
- 163(j)
- Loss Limitation Rules
- QIP
- Etc.

PPP

- \$350b Loans to Small Employers
- 100% Guaranteed
- Loans may be forgiven

Can't do both

Can't get loans forgiven

Economic Stabilization

- \$500b used for secured loans, loan guarantees, & investments to eligible businesses, states, and municipalities

Employee Retention Credit

- Refundable payroll tax credit for 50% of wages up to \$10k/Qtr
- Available to firms closed by virus
- Smaller firms get credit equal 50% of all wages

Can't do both

Delayed Payroll Tax Payments

- Employer share of payroll tax only
- Runs 3/27 to 12/31
- Two years to pay back



Defending America's Individually & Family Owned Businesses



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