

Comparison of Current Options for SBA Covid-19 Related Loans.		
	SBA 7a CARES Act Loan known as the Paycheck Protection Program	EIDL (Disaster Loans)
Disclaimer	This is a top-line summary of the small business provisions in what we hope is the final version of the Coronavirus Aid, Relief, and Economic Security Act. This may change and is for informational purposes. Banks will need additional time to understand the regulations and processing procedures. Most banks will need at least another 5-10 days to be ready to accept applications.	Applications being accepted now.
General Program Description	Loans to help borrowers cover payroll costs and other working capital expenses not already covered by previous federal CV-19 relief laws. The program is meant to help employers keep their workers employed.	This first relief program is to be used Business applies direct to the SBA
How to Apply	Contact your SBA Banker (after 4/1/20)	https://www.sba.gov/funding-programs/disaster-assistance
Maximum Loan Size	\$10,000,000,	\$2,000,000
Other Comments regarding Loan Size	OR, an amount not to exceed the business borrower's total average monthly payroll for the previous year, excluding compensation above \$100k/employee x 2.5	Amount to be determined by SBA
Interest Rates	Not to exceed 4%	3.75% for Profit Businesses, 2.75% Not-for-Profits
Repayment Terms	Up to 10 years, 12 months of deferment on payments (assume interest accrues)	Based on ability to repay, up to 30 years Deferment for 12 months but interest does accrue
Eligibility Requirements	Businesses, start-ups, veterans organizations, and nonprofits with 500 employees or less or that meet the applicable size standard for the industry within which the organization operates and as provided by SBA, if higher; – Nonprofits receiving Medicaid reimbursements are not eligible. For businesses with more than one location, if it employs 500 or fewer employees per physical location; has under US\$500 million in gross revenue; and falls within the "accommodation and food services" sector under the North American Industry Classification System (NAICS), the business is eligible for loans. Sole proprietorships; and Independent contractors. There are exceptions for those in the food service or accommodations industry and have more than one location. The 500 employees is per location.	Same as Paycheck Protection Program and Based on applicant's credit score or alternative appropriate methods to determine ability to repay
Size Standards	https://www.sba.gov/document/support-table-size-standards	None
Funds Can be Used For	Employee Salaries, paid sick leave, paid medical leave or paid family leave. Costs related to continuation of group healthcare benefits during periods of leave. Mortgage payments and other debt obligations	Operating Capital / to meet payroll, pay accounts payable and fixed debt payments until the situation improves
Ineligible Use of Funds	Individual employee compensation over \$100,000, Compensation of an employee whose principal place of residence is outside the US and Sick and Family Leave wages covered under the Families First Coronavirus Response Act	Debt Refinance, expansion
Credit/Underwriting	Instead of determining repayment ability which is not possible during this crisis, bank is to determine whether the business was operational on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors.	FICO Score greater than 570
Pre-Payment Penalty	None	None
Personal Guarantees?	Waived temporarily ***	Only on loans over \$200,000 (Proposed change)
Collateral	Waived***	Applicants must pledge any available collateral, either business assets or personal assets. A loan request will not be declined solely on the basis of inadequate collateral.
General Processing Information	Yet to be determined	Processing generally will take at least 3 weeks from submission. SBA will mail documents to applicant within 5 days of approval. Borrower has up to 60 days to return to SBA and within 5 days should receive the funds into their account.
***	Not entirely clear at this time	
Other	No double dipping from the EIDL for same purposes	