**CARES Act Guide: Loans**

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|  | **Emergency Injury Disaster Loan** | **Paycheck Protection Program Loans** |
| **Maximum Loan Amount** | $2 million | $10 million |
| **Grant/Forgiveness** | Emergency grant of up to $10,000, available within three days of EIDL application. Can be used for:* Providing paid sick leave
* Maintaining payroll
* Meeting increased materials costs
* Paying rent and mortgage
* Repaying obligations
 | Borrower can request forgiveness of the principal portion of the loan for money used to cover payroll, mortgage interest, rent, and utilities |
| **Interest Rate** | 3.75% for businesses2.75% for nonprofits | 1.00% on balance that remains after forgiveness |
| **Repayment Period** | Up to 30 years | 2 years for balance that remains after forgiveness |
| **Eligibility** | Must be directly affected by COVID-19 and fall under one of the following categories:* Businesses with < 500 employees
* Cooperatives, ESOPs, and tribal small businesses (< 500 employees)
* Sole proprietors, independent contractors
 | * Businesses and IRC Section 501(c)(3) nonprofits with < 500 employees
* Sole proprietors, independent contractors, and eligible self-employed individuals
* IRC Section 501(c)(19) veterans’ organizations and tribal concerns that meet the SBA size standards
* Businesses with NAICS codes beginning in (72) may be eligible on a per location basis
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| **Must Have Been in Business On** | January 31, 2020 | February 15, 2020 |
| **Where to Apply** | SBA COVID-19 Disaster Assistance Portal<https://www.sba.gov/funding-programs/disaster-assistance> | Local bank (but availability varies). Use Nav to fill out application and be matched to lender.<https://www.nav.com/paycheck-protection-program-form/>  |
| **Personal Guarantee** | For loans > $200,000 | None |
| **Collateral Requirement** | For loans > $25,000 | None |
| **Payment Deferments** | One year | At least six months |
| **Allowable Uses of Funds** | Items listed above under Grant/Forgiveness and:* Pay fixed debts, payroll, accounts payable, and other bills
* NOT intended to replace lost sales/profits
* Cannot be used to pay down long-term debt
 | * Payroll
* Costs related to group health care benefit continuation
* Salaries, commissions, and other compensations
* Interest on mortgage obligation (but no principal or prepayment)
* Rent
* Utilities
* Interest on pre-existing debt
* Refinancing an SBA EIDL loan made between January 31, 2020 and April 3, 2020
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| **Credit Requirement** | Personal credit check for all 20% or more owners | None |
| **Funding Timeframe** | Grant of up to $10,00 within three days. Next disbursement of $25,000 within a few weeks (projected).  | Varies |