

SBA Federal Relief Comparison

Small Business Act	SBA 7(a) Federal Small Business Relief Paycheck Protection Loan Program (Primarily for Payroll Costs)	SBA 7(b) Federal Small Business Relief EIDL – Disaster Loan Program (Primarily for Working Capital & Other Costs)
Loan forgiveness	Available	Not Available
Eligibility	Businesses, Non-Profits, Self-Employed & Independent Contractors	Businesses, Sole-Prop & ESOP's
Loan Terms	10 years, Max 4% Interest Rate	30 years, Max 4% Interest Rate (3.75% for Businesses & 2.75% for Non-Profit)
Payout	SBA Approved Lenders & SBA	SBA Only
Deferment	1 Year possible	1 Year possible
Requirements	Easy processing, Less Paperwork, Fast Processing	Stringent Requirements, More Paperwork, Slow Processing
	1. Business in operation as of February 15, 2020	Except Emergency \$10,000 grant available within 3 days
	2. Business with less than 500 employees	1. Business in existence for a year or more
	3. Experienced financial hardship (loss of sales/revenue) *****No Personal Guarantee required	2. Business with less than 500 employees
	-	3. Show proof of financial hardship (loss of sales/revenue)
	-	4. 3 years Profit & Loss and Tax Returns
	-	***** Personal guarantee required above \$200K
Emergency Grant	Not Available	\$10,000 available within 3 days, no condition on repayment
Loan amount	Lesser of: The average of “monthly payroll cost of last 12 months” x 2.5 or \$10 million cap	Determined by SBA, Varies by Industry Size (NAICS), Up to \$2 million cap
Loan forgiveness	Spend money during first 8 weeks after issuance on: Payroll costs, mortgage of rent on a building and/or property, utilities (water, electricity, gas, phone & internet) *see below of calculation	Loan forgiveness not available, \$10,000 emergency grant to be deducted from loan forgiveness in Section 7(A) Paycheck protection loan
Payroll Cost & Loan	Monthly Payroll = \$30,000	Loan can cover operating expenses and other costs
	Vacation/Sick Leave = \$1,000	
	Health Insurance = \$3,000	
	Retirement Costs = \$1,000	
	Total = \$35,000	
	Multiplied by 250% = \$87,500 Loan amount	
Loan forgiveness	If \$77,500 is spent withing 8 weels. The first \$77,500 is eligible for forgiveness. The remaining \$10,000 converts to 10-year loan at 4% interest	None