**Economic Injury Disaster Loan (EIDL)**

- **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.

- **Who is eligible?**
  - Any small business, as defined by the SBA. Eligibility is subject to aggregation with affiliated entities, with limited exceptions.

- **Where do I apply?**
  - Apply online at [https://disasterloan.sba.gov/ela/](https://disasterloan.sba.gov/ela/).

- **How much can I get?**
  - Up to $2 million based on working capital needs.

- **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.

**Coronavirus Aid, Relief, and Economic Security Act: Paycheck Protection Program (PPP)**

- **Who is eligible?**
  - Employers with fewer than 500 employees (unless the SBA allows a higher number for the applicable industry).

- **Where do I apply?**
  - Apply through thousands of banks across the country providing small business loans.

- **How much can I get?**
  - 250% of your average monthly payroll for the period February 15, 2019, to June 30, 2019; capped at $10 million.

- **How can I use the money?**
  - 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).

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**NECA Fact Sheet**

Comparison of Loans: EIDL and PPP

3 Bethesda Metro Center
Suite 1100
Bethesda, MD 20814
301-657-3110 • www.necanet.org
**Economic Injury Disaster Loan (EIDL)**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest rate</strong></td>
<td>3.75%</td>
</tr>
<tr>
<td><strong>Collateral</strong></td>
<td>Likely</td>
</tr>
<tr>
<td><strong>Personal guarantee</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Upfront loan fees</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>When will I receive funds?</strong></td>
<td>Payout is monthly or quarterly and any advance (up to $10,000) will be made within three days of application</td>
</tr>
<tr>
<td><strong>What if I don’t have many employees?</strong></td>
<td>May be better for asset-heavy/employee-light businesses</td>
</tr>
<tr>
<td><strong>Will this be forgiven?</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>What can be forgiven?</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Deferment</strong></td>
<td>Deferred for one year</td>
</tr>
<tr>
<td><strong>Can I utilize payroll tax credits with this loan?</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>15-30 years</td>
</tr>
<tr>
<td><strong>Pre-payment penalty</strong></td>
<td>No</td>
</tr>
</tbody>
</table>

**Coronavirus Aid, Relief, and Economic Security Act: Paycheck Protection Program (PPP)**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest rate</strong></td>
<td>&lt; 4%</td>
</tr>
<tr>
<td><strong>Collateral</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Personal guarantee</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Upfront loan fees</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>When will I receive funds?</strong></td>
<td>TBD; but expected sooner than EIDL</td>
</tr>
<tr>
<td><strong>What if I don’t have many employees?</strong></td>
<td>May be better for employee-heavy businesses</td>
</tr>
<tr>
<td><strong>Will this be forgiven?</strong></td>
<td>Yes — the amount forgiven is based on the ratio of headcount maintained during the eight-week period</td>
</tr>
<tr>
<td><strong>What can be forgiven?</strong></td>
<td>Eight weeks of eligible expenses; (payroll, utilities, rent and mortgage interest)</td>
</tr>
<tr>
<td><strong>Deferment</strong></td>
<td>Deferred for six to 12 months</td>
</tr>
<tr>
<td><strong>Can I utilize payroll tax credits with this loan?</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>10 years for amount that is not forgiven</td>
</tr>
<tr>
<td><strong>Pre-payment penalty</strong></td>
<td>No</td>
</tr>
</tbody>
</table>
**NECA Fact Sheet: Comparison of Loans: EIDL and PPP**

**EIDL**
- Economic Stabilization
- Loans may be forgiven
- 100% Guaranteed
- Loans for eligible businesses, states, localities, and nonprofits
- $500D used for secured loans
- Funds to states to speed up fundraising
- Extra 13 weeks of 12/31 extra
- Week for four months
- Increased UI payments
- You can get both

**PPP**
- Application
- Funds to states to speed up fundraising
- Extra 13 weeks of 12/31 extra
- Week for four months
- Standard UI plus $600 per
- Ineligible UI payments
- You can get both

**Business Tax Provisions**
- Employee Retention Credit
- All wages
- Smaller firms get credit equal to 50% of available to firms closer to virus
- Of wages up to $10k/quarter
- Reimbursable payroll tax credit for 50%

**Tax Credits**
- ETC
- IPA
- Loss limitation rules
- 163(i)
- NOLs

**Family Rebates**
- Based on 2019 return
- $1,200/kid
- $500/single
- Child care
- Eligible to $1,200/adult &
- $75k/single
- $500/child

**Delay Payroll Tax**
- Two years to pay back
- Runs 3/27 to 12/31
- Only earnings share of payroll tax

**Delayed Payroll Tax**
- Can’t get
- Can’t do

**Increasing UI Payments**
- Can’t get
- Can’t do

**Ineligible UI Payments**
- Can’t get
- Can’t do