# Overview of Payroll Protection Program (PPP) & Economic Injury Disaster Loans (EIDL)

## Comparison of COVID-19 Loan Programs – Forgiveness Terms

*Businesses can utilize multiple loans or programs, but cannot use proceeds for duplicative purposes.*

<table>
<thead>
<tr>
<th>Loans</th>
<th>Payroll Protection Program (PPP)</th>
<th>Economic Injury Disaster Loans (EIDL)</th>
</tr>
</thead>
</table>
| **Who?**               | • Generally less than 500 employees across all locations  
  – Restaurants/Franchises per location  
  – Some businesses with more than 500 employees. [Check here.](#)  
  – Note special rule for affiliation  
  • Does include: certain non-profits, veterans organizations, tribal organizations, independent contractors and self-employed individuals | • Generally less than 500 employees across all locations  
  – Some businesses with more than 500 employees. [Check here.](#)  
  • Does include: certain non-profits, independent contractors and self-employed individuals |
| **What?**              | • Loan  
  – Can Be Used For: payroll (wages ≤ $100,000 and other limitations), interest payments on mortgage, rent or lease payments, utility payments  
  – Value: 2 months of average payroll + 25%, capped at $10 million  
  – Covered loan period 2/15/20 – 6/30/20  
  • Loan repayment due within 2 years  
  – Interest and principal payments deferrable for first 6 months  
  – Payments must begin within 1 year  
  • Loan participation disqualifies use of employee retention tax credit and social security tax deferral program | • Loan  
  – Can Be Used For: working capital  
  – Value: Based on amount of economic injury, capped at $2 million  
  – Loan repayment up to 30 years  
  – Covered loan period 1/1/20 – 12/31/20  
  • Refinance option in to PPP loan |
| **Forgiveness Terms** | • Loan forgiveness if DO NOT reduce workforce or wages paid.  
  – Prorated forgiveness if workforce reductions or wage reductions  
  • Loan forgiveness = the sum of the following costs and expenses during the 8-week period after the loan was made:  
  – Payroll;  
  – Interest payments on mortgage;  
  – Rent or lease payments; and  
  – Utility payments | • $10,000 forgivable loan advance  
  – Can Be Used For: providing sick leave to employees, payroll, increased costs to obtain materials, rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses.  
  – Borrower not required to repay even if EIDL is denied |
| **Where?**             | • SBA 7(a) Approved Banks and Credit Unions  
  – Documentation will be necessary to establish payroll and eligibility  
  – [Application Form](#) | • SBA  
  – [Apply online](#)  
  – Other documentation needed: IRS Form 4506-T: [https://www.irs.gov/pub/irs-pdf/f4506t.pdf](https://www.irs.gov/pub/irs-pdf/f4506t.pdf); personal financial statement; a schedule of liabilities; a copy of your most recently filed Federal income tax return; additional information may be required depending on individual circumstances. |
| **More Information**   | • [US Chamber Small Business Guide to PPP](#)  
  • [US Treasury Overview](#)  
  • [Borrower Q&A](#) | • [SBA Overview](#)  
  • [SBA Power point Summary](#)  
  • [US Chamber Guide to EIDL](#) |
## Medium Sized Economic Stabilization Loans & Employee Retention Tax Credits

### Comparison of COVID-19 Loan Programs – Flexibility Enhancements

*Businesses can utilize multiple loans or programs, but cannot use proceeds for duplicative purposes.*

<table>
<thead>
<tr>
<th>Programs</th>
<th>Medium Sized Economic Stabilization Loans</th>
<th>Employee Retention Tax Credit</th>
</tr>
</thead>
</table>
| **Who?** | ● 500 to 10,000 employees                  | ● Private businesses in operation during 2020, that either:  
|          |                                          | – Fully or partially suspend operation because of a governmental order during any calendar quarter in 2020 due to COVID-19; or  
|          |                                          | – Experiences a significant decline (50%) in gross receipts during the calendar quarter.  
|          |                                          | ● Does include: certain non-profits  
|          |                                          | ● Does NOT include: self-employed individuals |
| **What?** | ● Loan  
|          | - Must Be Used For: Retain 90% of workforce at full wages and benefits through/by September 30, 2020; or  
|          | - Must Be Used For: Restore 90% of workforce as of February 1, 2020 at full wages and benefits within 4 months after termination of the COVID-19 emergency as determined by the Department of Health and Human Services  
|          | - Value: To be determined  
|          | - Loan repayment up to 5 years            | ● Refundable tax credit  
|          |                                          | – 50% of qualified wages paid to employees from March 1, 2020 to January 1, 2021.  
|          |                                          | – Max qualified wages for all calendar quarters is $10,000, maximum credit for qualified wages paid to any employee is $5,000. |
| **Flexibility Enhancements** | ● No interest or principal payments for 6 months  
|          | ● No buybacks of dividend payments through life of loan  
|          | ● No outsourcing or offshoring of jobs for life of the loan and 2 years after  
|          | ● Cannot abrogate collective bargaining for term of the loan and 2 years after  
|          | ● Remain neutral in any union organizing for term of the loan | ● Tax credit is applied against payroll taxes |
| **Where?** | ● Banks and Credit Unions in partnership with the US Treasury and Federal Reserve | ● [Form 941, Employer Quarterly Federal Tax Return](#)  
| **More Information** | ● [US Chamber Summary of CARES Act](#)  
| | ● [Senate Section by Section Summary of CARES Act](#) | ● [IRS Overview](#)  
| | | ● [US Chamber Summary](#) |