

# 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.*

Loans	Payroll Protection Program (PPP)	Economic Injury Disaster Loans (EIDL)
<b>Who?</b>	<ul style="list-style-type: none"> <li>Generally less than 500 employees across all locations                             <ul style="list-style-type: none"> <li>Restaurants/Franchises per location</li> <li>Some businesses with more than 500 employees. <a href="#">Check here.</a></li> <li>Note special rule for affiliation</li> </ul> </li> <li>Does include: certain non-profits, veterans organizations, tribal organizations, independent contractors and self-employed individuals</li> </ul>	<ul style="list-style-type: none"> <li>Generally less than 500 employees across all locations                             <ul style="list-style-type: none"> <li>Some businesses with more than 500 employees. <a href="#">Check here.</a></li> </ul> </li> <li>Does include: certain non-profits, independent contractors and self-employed individuals</li> </ul>
<b>What?</b>	<ul style="list-style-type: none"> <li>Loan                             <ul style="list-style-type: none"> <li>Can Be Used For: payroll (wages ≤ \$100,000 and other limitations), interest payments on mortgage, rent or lease payments, utility payments</li> <li>Value: 2 months of average payroll + 25%, capped at \$10 million</li> <li>Covered loan period 2/15/20 – 6/30/20</li> </ul> </li> <li>Loan repayment due within 2 years                             <ul style="list-style-type: none"> <li>Interest and principal payments deferrable for first 6 months</li> <li>Payments must begin within 1 year</li> </ul> </li> <li>Loan participation disqualifies use of employee retention tax credit and social security tax deferral program</li> </ul>	<ul style="list-style-type: none"> <li>Loan                             <ul style="list-style-type: none"> <li>Can Be Used For: working capital</li> <li>Value: Based on amount of economic injury, capped at \$2 million</li> <li>Loan repayment up to 30 years</li> <li>Covered loan period 1/1/20 – 12/31/20</li> </ul> </li> <li>Refinance option in to PPP loan</li> </ul>
<b>Forgiveness Terms</b>	<ul style="list-style-type: none"> <li>Loan forgiveness if DO NOT reduce workforce or wages paid.                             <ul style="list-style-type: none"> <li>Prorated forgiveness if workforce reductions or wage reductions</li> </ul> </li> <li>Loan forgiveness = the sum of the following costs and expenses during the 8-week period after the loan was made:                             <ul style="list-style-type: none"> <li>Payroll;</li> <li>Interest payments on mortgage;</li> <li>Rent or lease payments; and</li> <li>Utility payments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>\$10,000 forgivable loan advance                             <ul style="list-style-type: none"> <li>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.</li> <li>Borrower not required to repay even if EIDL is denied</li> </ul> </li> </ul>
<b>Where?</b>	<ul style="list-style-type: none"> <li>SBA 7(a) Approved Banks and Credit Unions                             <ul style="list-style-type: none"> <li>Documentation will be necessary to establish payroll and eligibility</li> <li><a href="#">Application Form</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>SBA                             <ul style="list-style-type: none"> <li><a href="#">Apply online</a></li> <li>Other documentation needed: IRS Form 4506-T: <a href="https://www.irs.gov/pub/irs-pdf/f4506t.pdf">https://www.irs.gov/pub/irs-pdf/f4506t.pdf</a>; 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.</li> </ul> </li> </ul>
<b>More Information</b>	<ul style="list-style-type: none"> <li><a href="#">US Chamber Small Business Guide to PPP</a></li> <li><a href="#">US Treasury Overview</a></li> <li><a href="#">Borrower Q&amp;A</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">SBA Overview</a></li> <li><a href="#">SBA Power point Summary</a></li> <li><a href="#">US Chamber Guide to EIDL</a></li> </ul>

# 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.*

Programs	Medium Sized Economic Stabilization Loans	Employee Retention Tax Credit
<b>Who?</b>	<ul style="list-style-type: none"> <li>500 to 10,000 employees</li> </ul>	<ul style="list-style-type: none"> <li>Private businesses in operation during 2020, that either:                             <ul style="list-style-type: none"> <li>Fully or partially suspend operation because of a governmental order during any calendar quarter in 2020 due to COVID-19; or</li> <li>Experiences a significant decline (50%) in gross receipts during the calendar quarter.</li> </ul> </li> <li>Does include: certain non-profits</li> <li>Does NOT include: self-employed individuals</li> </ul>
<b>What?</b>	<ul style="list-style-type: none"> <li>Loan                             <ul style="list-style-type: none"> <li>Must Be Used For: Retain 90% of workforce at full wages and benefits through/by September 30, 2020; or</li> <li>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</li> <li>Value: To be determined</li> <li>Loan repayment up to 5 years</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Refundable tax credit                             <ul style="list-style-type: none"> <li>50% of qualified wages paid to employees from March 1, 2020 to January 1, 2021.</li> <li>Max qualified wages for all calendar quarters is \$10,000, maximum credit for qualified wages paid to any employee is \$5,000.</li> </ul> </li> </ul>
<b>Flexibility Enhancements</b>	<ul style="list-style-type: none"> <li>No interest or principal payments for 6 months</li> <li>No buybacks of dividend payments through life of loan</li> <li>No outsourcing or offshoring of jobs for life of the loan and 2 years after</li> <li>Cannot abrogate collective bargaining for term of the loan and 2 years after</li> <li>Remain neutral in any union organizing for term of the loan</li> </ul>	<ul style="list-style-type: none"> <li>Tax credit is applied against payroll taxes</li> </ul>
<b>Where?</b>	<ul style="list-style-type: none"> <li>Banks and Credit Unions in partnership with the US Treasury and Federal Reserve</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Form 941, Employer Quarterly Federal Tax Return</a></li> </ul>
<b>More Information</b>	<ul style="list-style-type: none"> <li><a href="#">US Chamber Summary of CARES Act</a></li> <li><a href="#">Senate Section by Section Summary of CARES Act</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">IRS Overview</a></li> <li><a href="#">US Chamber Summary</a></li> </ul>