

Comparison of COVID-19 Loan Programs – Forgiveness Terms

Updates as of June 5, 2020

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

| Loans | Payroll Protection Program (PPP) | Economic Injury Disaster Loans (EIDL) |
|-------------------|---|---|
| Who? | <ul style="list-style-type: none"> Generally less than 500 employees across all locations <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Due to limitations in funding and the unprecedented submission of applications already received, only agricultural business applications for EIDL are currently being accepted. Generally less than 500 employees across all locations <ul style="list-style-type: none"> Some businesses with more than 500 employees. Check here. Does include: certain non-profits, independent contractors and self-employed individuals |
| What? | <ul style="list-style-type: none"> Loan <ul style="list-style-type: none"> 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 up to 24 weeks after disbursement of the loan Loan repayment due within 2 years. (5 year for loans approved after Paycheck Protection Flexibility Act.) <ul style="list-style-type: none"> Interest and principal payments deferrable for first 6 months Payments must begin within 1 year Loan participation disqualifies use of employee retention tax credit Borrower can defer payment of payroll taxes | <ul style="list-style-type: none"> Loan <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Loan forgiveness if DO NOT reduce workforce or wages paid. <ul style="list-style-type: none"> Prorated forgiveness if workforce reductions or wage reductions 60% of the forgiven amount must be used for payroll No audits for loans less than \$2 million. Loan forgiveness = the sum of the eligible costs and expenses during the 24-week period after the loan was made. | <ul style="list-style-type: none"> \$10,000 forgivable loan advance <ul style="list-style-type: none"> 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? | <ul style="list-style-type: none"> SBA 7(a) Approved Banks and Credit Unions <ul style="list-style-type: none"> Documentation will be necessary to establish payroll and eligibility Application Form Loan Forgiveness Application | <ul style="list-style-type: none"> SBA <ul style="list-style-type: none"> Apply online Other documentation needed: IRS Form 4506-T; 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 | <ul style="list-style-type: none"> US Chamber Small Business Guide to PPP US Chamber Small Guide to PPP Forgiveness US Treasury Overview Borrower Q&A | <ul style="list-style-type: none"> SBA Overview SBA Power point Summary US Chamber Guide to EIDL |

Comparison of COVID-19 Loan Programs – Flexibility Enhancements

Updates as of June 10, 2020

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

| Programs | Main Street Lending Program | Employee Retention Tax Credit |
|--------------------------|---|---|
| Who? | <ul style="list-style-type: none"> Up to 15,000 employees or up to \$5 billion in 2019 annual revenues Established in the U.S. prior to March 13, 2020 Have significant operations and a majority of employees in the U.S. Does include: businesses that received PPP program support Does NOT include: air carriers, air cargo and businesses critical to national security that received support from the CARES Act and certain other businesses. Check here. | <ul style="list-style-type: none"> Private businesses in operation during 2020, that either: <ul style="list-style-type: none"> 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? | <ul style="list-style-type: none"> Borrowers must make commercially reasonable efforts to maintain payroll and retain employees during loan term. Loan <ul style="list-style-type: none"> New Loans: Term of 5 years. Loan size \$250,000 to \$35 million. 15% payment year 3. 15% payment year 4. 70% payment year 5. Priority Loans: Term of 5 years. Loan size \$250,000 to \$50 million. 15% payment year 3. 15% payment year 4. 70% payment year 5. Expanded Loans: Term of 5 years. Loan size \$10 million to \$300 million. 15% payment year 3. 15% payment year 4. 70% payment year 5. Interest rate: LIBOR (1 or 3 month) + 300 basis points | <ul style="list-style-type: none"> Refundable tax credit <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Principal payments deferred for two years Interest payments deferred for one year. | <ul style="list-style-type: none"> Tax credit is applied against payroll taxes |
| Where? | <ul style="list-style-type: none"> Banks, savings associations, and credit unions that are federally insured | <ul style="list-style-type: none"> Form 941, Employer Quarterly Federal Tax Return |
| More Information | <ul style="list-style-type: none"> US Chamber Guide to Main Street Lending Program Borrower Q&A | <ul style="list-style-type: none"> IRS Overview US Chamber Guide to Employee Retention Tax Credit |

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