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 | • 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  
   – 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 [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.](#))  
   – 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](#) | • 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  
   – [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. | • [$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](#)  
   – [Loan Forgiveness Application](#) | • 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 Chamber Small Guide to PPP Forgiveness](#)  
   • [US Treasury Overview](#)  
   • [Borrower Q&A](#) | • [SBA Overview](#)  
   • [SBA Power point Summary](#)  
   • [US Chamber Guide to EIDL](#) |
### Tools for Business

#### 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>Main Street Lending Program</th>
<th>Employee Retention Tax Credit</th>
</tr>
</thead>
</table>
| **Who?** | • 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](#). | • 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?** | • Borrowers must make commercially reasonable efforts to maintain payroll and retain employees during loan term.  
• Loan  
  − **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 | • 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** | • Principal payments deferred for two years  
• Interest payments deferred for one year. | • Tax credit is applied against payroll taxes |
| **Where?** | • Banks, savings associations, and credit unions that are federally insured | • [Form 941, Employer Quarterly Federal Tax Return](#) |
| **More Information** | • [US Chamber Guide to Main Street Lending Program](#)  
• [Borrower Q&A](#) | • [IRS Overview](#)  
• [US Chamber Guide to Employee Retention Tax Credit](#) |

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