



Business Loan Programs Comparison Chart

Which Loan is Right For Your Business?

The CARES Act allocates \$349 billion to help small businesses keep workers employed amid the current circumstances they are encountering. This chart is an overview of the key components of and eligibility requirements of these new programs (PPP & EIDL) as it compares to a traditional SBA 7(a) loan, and is intended as a guide to determine which Small Business Administration loan program best fits your company's needs and strategic objectives.

	Section 7(a) Traditional Loan	Paycheck Protection Program (PPP) Loan	Economic Injury Disaster Loan (EIDL)
Dates Available	Ongoing	February 15 - June 30, 2020	January 31 - December 31, 2020
Lender	Banks approved by SBA	Banks approved by SBA	SBA
Eligibility	Based on size/industry	Fewer than 500 employees, 501(c)(3) non-profits and 501(c)(19) veteran organizations	Applies to most businesses with fewer than 500 employees and private non-profits
Loan Amount	Up to \$5 million	Based on Payroll; Up to \$10 million or 2.5x average total monthly payrolls costs for last 12 months	Up to \$2 Million; Based on pandemic-related economic damages; For loans less than \$200,000, there is no personal guarantee needed
Guaranteed by SBA?	85% for loans up to \$150,000, 75% for loans over \$150,000	100% for the life of the loan	Generally same as traditional 7(a) loan
Loan Terms	10/25 years	2 Years	Up to 30 years; Includes 12-month payment deferral
Interest Rate	1% - 2.75%	1%	3.75% (for profit)/2.75% (not-for-profit)
Forgiveness	No, but 6 months of payment (See S1112 of the CARES Act)	Yes. 8 weeks of payroll, rent, mortgage, utilities	No
Advance Grant Available?	No	No	\$10,000
Loan Uses	Many (but can't duplicate 7(a)(36) loans)	Payroll, mortgage, rent, utilities	Obligations and expenses that could have been met if no disaster had occurred (can't duplicate 7(a)(36) loans)
Collateral Required?	Yes	No	The assets of the business
Prepayment	Risk of prepayment penalty	Prepaid at any time without penalty; 6 months payment deferral	Prepaid at any time without penalty