

The Small Business Administration is offering loans to businesses during the COVID-19 pandemic. Businesses can apply for the Paycheck Protection Program beginning April 3 through local lenders and the Economic Injury Disaster Loans at any time on the SBA website.

**1. Decide which program (or both) is best for my business situation:**

	Paycheck Protection Program	Economic Injury Disaster Loan
Who qualifies?	<ul style="list-style-type: none"> <li>Businesses with fewer than 500 employees, sole proprietors, independent contractors, self-employed individuals;</li> <li>Paid taxes on employees or independent contractors;</li> <li>Started before February 15, 2020</li> </ul>	<ul style="list-style-type: none"> <li>Businesses with fewer than 500 employees, sole proprietors, independent contractors, self-employed individuals;</li> <li>Started before January 31, 2020</li> </ul>
What does the loan cover?	8 weeks of eligible payroll, mortgage interest/rent, and utility expenses between February 15, 2020 and June 30, 2020	Payroll, mortgage/rent, accounts payable, interest on other loans, other bills normally paid had the disaster not occurred
Maximum loan amount	2.5 times your monthly average payroll cost	\$2 million
When are the funds available?	PPP loans can be received the same day as applied for	EIDL loans must be approved by SBA as they are processed. Emergency grant is available within three days
When are the funds available?	<p>All payroll costs, mortgage interest/rent, and utility expenses are forgivable.</p> <p>Any reduction of employees or reduction of wages of more than 25% will reduce forgiveness.</p> <p>Loan recipients must re-hire employees laid off between February 15 and April 26 by June 30, 2020.</p>	<p>Primary loan is not forgivable.</p> <p>Emergency grant up to \$10,000 is forgiven is used for approved purposes:</p> <ul style="list-style-type: none"> <li>Sick leave for COVID-19</li> <li>Maintaining payroll</li> <li>Increased costs due to interrupted supply chains</li> <li>Rent or mortgage payments</li> <li>Other repayment obligations</li> </ul>
Loan forgiveness	Non-forgiven portions of the loan are due within 2 years	30-year term
Loan terms	1%	3.75%
Repayment	Payments and interest deferred six-months to 1-year	Payments deferred for 1-year
Additional notes	Businesses can apply for both programs, however EIDL funds cannot be used for the same obligations as PPP loans: payroll, mortgage interest/rent, or utility bills.	

**2. For PPP loans, contact your local bank or credit union to see if they participate in the SBA 7(a) program and fill out the [loan application](#).** Your lender will require tax and payroll information to determine your maximum loan amount.

a. If your bank does not participate, contact local [SBA assistance office](#) to find a list of eligible lenders.

**3. For EIDL loans, apply for the loan on [SBA's website](#).**

a. Emergency Economic Injury Grants are available up to \$10,000 within 3 days of applying for the loan. This grant does not need to be repaid if the loan is denied and used for approved purposes.