

COVID-19 ECONOMIC RECOVERY: LOAN OPTIONS



| | SBA STANDARD LOANS | | | | SBA CORONAVIRUS LOAN | | LOUISIANA CORONAVIRUS LOAN | FEDERAL RESERVE CORONAVIRUS LOAN |
|--------------------------------|---|--|--|---|---|---|---|---|
| | Economic Injury Disaster Loan (EIDL) | SBA Express Bridge Loan Pilot Program | 504 Loan | Standard 7(a) Loan | Economic Injury Disaster Loan Advance | Paycheck Protection Program | Loan Portfolio Guaranty Program | Main Street Lending Program |
| Who Should Consider | Any businesses that suffered economic injury needing funds for range of business expenses | Businesses who need a bridge loan to address funding gap (needing quick cash) | Businesses considering expansion or modernization of their current facility | Businesses needing working capital, considering expansion | Any businesses that suffered economic injury needing immediate funds for range of business expenses | Businesses that need to make payroll or retain staff | Traditional small businesses and family-owned such as restaurants, daycares, farmers & fishing industry | Larger firms needing greater funding |
| Eligibility | Businesses with less than 500 employees; independent contractors, sole proprietors; 501(c)(3)s in operation as of Jan. 31, 2020 | Business with fewer than 500 employees (or otherwise meets SBA's size standard) in operation before March 13, 2020 that have business relationship with SBA Express Lender | For profit; meets SBA's size standard; have a tangible net worth not more than \$15 million, and an average net income of \$5 million or less after federal income taxes for the preceding two years prior to application. | For profit, meets SBA size standards (varies by industry) | Must apply for the EIDL to request and access the advance | Businesses, 501(c)(3)s with less than 500 employees; self-employed, independent contractors, sole proprietors; food & accommodation sectors size standards per location; in operation Feb. 15, 2020 | Fewer than 100 employees impacted by COVID-19 | 15,000 or less employees; or, annual revenue less than \$5B |
| Loan Uses | Payroll costs, accounts payable, pay fixed debts, material costs, rent/mortgage, pre-existing debt | Working capital to cover operational expenses | Must be used for fixed assets (and certain soft costs) | Real estate and equipment, working capital, or seasonal lines of credit | Payroll, sick leave, production costs due to supply chain disruptions, or business obligations, including debts, rent and mortgage payments | Payroll, mortgage interest, rent, utilities, interest on existing debt | Payroll and expenses to maintain continuance of operations; expenses directly related to COVID-19 | TBD. "Reasonable efforts to maintain payroll and retain workers" |
| Loan Terms | 30-year term; 3.75% interest for businesses, 2.75% for nonprofits | Max term of 7 years; max. rate of 6.5% over prime rate | 10 - 25 year term; fixed interest rat correlated with current market rate for 5-year and 10-year U.S. Treasury issues | 5-10 year term; ~5-8% interest | No repayment required | 2-year term; 1.0% interest; 6-month deferment | 1-year term minimum; 3.5% max. interest; 6-month deferment | 4-year term/1-year deferment |
| Max Amount | \$2 million | \$25,000 | \$5 million | \$5 million | Up to \$10,000 | \$10 million | \$100,000 | \$25 million |
| Source of Funds | U.S. Treasury | Private Bank, CDFI, or Other | Community Development Company (CDCs), Participating Lenders | Private Bank or CDFI | U.S Treasury | Private Bank, CDFI, or Other | Private Banks | Federal Reserve Bank |
| How to Apply / Deadline | Through SBA online portal; until Dec. 31, 2020 | Contact local lender; until March 13, 2021 | Contact Community Development Company or Participating Lender | Contact local lender | Through SBA online portal; until Dec. 31, 2020 | Contact local lender; until August 8, 2020 | Contact local bank or credit union; until May 29, 2020 | Not available yet |
| How Long for Approval | 2-3 weeks + 5 business days for funding | Historically, four-eight weeks | Historically, four-six weeks | Two weeks + | Within 3 days of submitting EIDL application | One week + | New program; assume quick | TBD |
| What to Know | Covers gamut of working capital (e.g. product, people, rent); Includes EIDL advance of \$1,000 per employee up to \$10,000 (advance does not have to be repaid) | Expedited SBA-guaranteed financing (application response within 36 hours); Option while waiting for long-term financing; Must demonstrate credit not available elsewhere | Generally, the project assets being financed are used as collateral. Personal guaranties from owners of 20% or more are also required. | Less restrictive uses than the Paycheck Protection Program, but does need to be paid back in full | The SBA may scale the advance based on the number of employees an applicant has. The SBA may provide \$1,000 per employee for up to ten employees. | Only loan that's forgivable - but portion of loan used on payroll must be at least 60%; in order to be fully forgiven, must maintain payroll | Banks may extend loan terms for up to 5 years; ineligible businesses include gaming, non-profits, real estate developers, pawn shops, payday loans, lending and investment concerns | Prohibitions on stock buybacks or paying dividends for certain time period; executive compensation limits |
| Website | https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance | https://www.sba.gov/document/support-express-bridge-loan-pilot-program-guide | https://www.sba.gov/offices/headquarters/ofa/resources/4049 | https://www.sba.gov/partners/lenders/7a-loan-program | https://www.sba.gov/funding-programs/disaster-assistance/coronavirus-covid-19#/ | https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program | ledbizloan.com | https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm |

Notes: The Employee Retention Tax Credit (ERTC) provides employers a 50% tax credit for the first \$10,000 of compensation per employee (\$5,000 max). Cannot be used with PPP. Combining Loans: In general, you can use these programs together, as long as it is not for the same purpose at the same time (i.e., no "double dipping"). Also, use of some of these programs will preclude use of some tax credits that target the same benefit (e.g. PPP and the ERTC and Family Leave Tax Credit).

This chart is for guidance only; please consult your tax professional for formal advice.