

COVID-19 ECONOMIC RECOVERY: LOAN OPTIONS - DECEMBER 2020 UPDATE



	SBA STANDARD LOANS				SBA CORONAVIRUS LOAN		LOUISIANA CORONAVIRUS LOAN	FEDERAL RESERVE CORONAVIRUS LOAN
	Economic Injury Disaster Loan (EIDL)	Express Bridge Loan	504 Loan	Standard 7(a) Loan	Economic Injury Disaster Loan Advance	Paycheck Protection Program	Loan Portfolio Guaranty Program	Main Street Lending Program
Status	CLOSES 12/21/20	No change.	No change.	No change.	PROGRAM CLOSED 7/11/20	PROGRAM CLOSED 8/8/20	CLOSES 12/31/20	CLOSES 12/31/20
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	Small and medium-sized for profit businesses and nonprofit organizations
Eligibility	Businesses with fewer 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 fewer 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	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 rate 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	5-year term/2-year deferment
Max Amount	\$2 million	\$25,000	\$5 million	\$5 million	Up to \$10,000, based on headcount	\$10 million	\$100,000	Minimum: \$100,000 Maximum: \$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 program funds run out	Contact local lender; until June 30, 2020	Contact local bank or credit union; until December 31, 2020	Contact eligible lender
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	Varies by lender and loan terms to be negotiated.
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	SBA	SBA	SBA	SBA	SBA	SBA	LED	Federal Reserve

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