

There are currently two types of loans available: **Economic Injury Disaster Loans** (EIDL) and **Paycheck Protection Loans** (PPP). You can apply for both loans, but you can't use funds from each loan for the same expenses such as payroll, rent, insurance, etc.

Here are 10 things you need to know about the loan programs:

1. If you are a business with under 500 employees, you are considered a small business (with some exceptions) and can qualify for the loans. Nonprofits and veterans' organizations also qualify. All 50 states have been declared disaster areas and, therefore, no matter where your company is based, you may apply.
2. The EIDL loans offer up to \$2 million for working capital needs such as fixed debt and payroll. The interest rate is 3.75% for businesses and 2.75% for nonprofits with a 30-year term possible. There is an automatic one-year deferment on repayment so the first payment is not due for a full year, although interest begins to accrue at time of disbursement.
3. If you apply for an EIDL loan, you can request a **\$10,000 grant** for working capital. The SBA claims you will receive this grant within three days of the application filing, whether or not you ultimately qualify for a loan. Again, it is a grant that does not have to be repaid.
4. The PPP loans provide up to \$10 million over 10 years at 4% interest. You can calculate how much you are eligible for by multiplying your 2019 average payroll costs for all employees earning under \$100,000 by 2.5. This includes salary, health insurance, and paid sick leave.
5. **Eight (8) weeks of the PPP loan amount will be considered a grant and forgiven.**
6. The SBA is waiving the previous requirement for having additional credit options, and the need to apply for additional credit and failing to secure it prior to applying for these loans—the "Credit Elsewhere Test." They will also be lenient if you have a poor credit score and are looking more at future lost revenue than ability to repay.
7. The SBA is waiving the requirement to secure the loan with real estate or a personal guaranty, and review of personal financial statements.
8. Independent contractors, self-employed, and sole proprietors do qualify for these loans.
9. The SBA is authorizing banks and other commercial lenders currently authorized to make SBA loans to originate and administer these new loans. They are actively seeking new institutions to do so in order to meet increased demand.
10. Apply at [www.sba.gov/funding-programs/disaster-assistance](http://www.sba.gov/funding-programs/disaster-assistance).