

Stimulus Funding Programs

The government has 3 loan programs to help businesses get fast funds to survive during the crisis & thrive through the recovery.

1 Paycheck Protection Program



- PPP provides up to \$10M of forgivable funds to primarily cover payroll (75%) and rent, utilities & mortgage interest (25%) during the loan period.
- To be eligible you must have been in operation on Feb 15th, 2020 or earlier, and have no more than 500 employees on payroll. (some exceptions allow up to 1500 or 500 per location)
- The loan terms don't require any personal guarantee, collateral or recourse to the borrower. The most attractive term is that loans can be fully forgiven if borrowers follow all the rules; borrower has same head count from previous year and similar compensation levels compared to previous full quarter, and proceeds are spent during loan period on approved expenses; 75% on payroll, 25% on rent, utilities and/or mortgage interest. Any portion that is not forgiven converts into a loan at 1% for 2 years. Payments are deferred for up to 6 months and there is no pre-payment penalty.
- If you have an EIDL loan already, you can roll it into a new PPP loan.
- To apply, contact your local FDIC bank or SBA lender. [More details](#)

2 Economic Injury Disaster Loan (EIDL)



- EIDL provides low-interest loans of up to \$2 million for businesses that have suffered losses from some kind of disaster. The loan cannot be used for the same purpose as the PPP.
- To be eligible you must be a small businesses or private non-profit with less than 500 employees.
- The loan terms are 30 year at 3.75% interest with 12 months deferred payments while interest accrues. No personal guarantee for loans less than \$200,000.
- To apply, visit [SBA.gov](https://www.sba.gov)

3 Main Street Lending Program (MSLP)



- MSLP provides low-interest loans of up to \$25M - \$200M to borrowers.
- To be eligible you must be a U.S. based business with up to 15,000 employees or no more than \$5 billion in 2019 revenues.
- The loan terms are 4-year loans, with 12 months deferred payments while interest accrues. All new loans are unsecured. Borrowers can get new loans for the lesser of \$25M or 4x 2019 EBITDA, \$25M 6x EBITDA for Priority Loan, or extend existing loans they have through lenders for the lesser of \$150M, or (i) 6X 2019 EBITDA or (ii) 35% of borrowers existing bank debt. Federal Reserve will purchase 4-year low interest loans made by banks to make it easier for lenders to lend.
- Apply at any [FDIC insured bank](#) or U.S Bank holding company

Funding Programs Comparison

	 PPP	 EIDL	 MSLP
Eligibility	500 or less employees In business Feb. 15, 2020	500 or less employees In business Feb. 15, 2020	15,000 or less employees \$5B revenue or less
Loan Amount	Lesser of \$10 million or 2.5 times average monthly payroll	Up to \$2 million	Up to \$25M - \$200M
Term	2 years	Up to 30 years	4 years
Interest Rate	1%	3.75%	Adjustable Rate (LIBOR + 3%)
Deferral	6 months (interest accrues)	1 year (interest accrues)	1 year (interest accrues)
Prepay Allowed?	Yes	Yes	Yes
Can Be Used For	Payroll, benefits, mortgage interest, rent, utilities, other debt	Payroll, benefits, accounts payable, other expenses	Reasonable efforts to maintain payroll and retain workers
Refinance Debt?	Yes for EIDL	No	No
Collateral Required?	No	For loans over \$25,000	No for new loans Existing collateral remains same
Forgiveness	Yes, if 75% spent on payroll costs	Yes, for \$10,000 advance	No
Guarantee Required?	None	No for loans under \$200K	Good financial standing
Apply	FDIC Bank	SBA.gov	FDIC Bank
Pros	Easy application Loan forgiveness No risk for bank to approve	30 years at low interest Easy application	No collateral Low interest Low risk for bank to approve
Cons	Not forgiven if don't use 75% for payroll or reduce headcount	Over \$200K may require collateral No forgiveness	No forgiveness Collateral of existing loan