



COVID-19: SMALL BUSINESS LOAN OPTIONS

The Paycheck Protection Program, part of the new CARES stimulus package, is a federal loan program aimed at helping small businesses who have been severely impacted by Coronavirus. In addition to the Paycheck Protection Program loan, the U.S. Small Business Administration (SBA) is also offering an Economic Injury Disaster Loan (EIDL) to small business owners. You can apply for this low-interest, federal disaster loan directly through the SBA.

We are currently waiting on guidance from the SBA on the full details of these two programs. In the meantime, we include a comparison chart below to illustrate each program's highlights as we know them right now.

PAYCHECK PROTECTION PROGRAM (PPP)

Emergency funding for employee retainage during the Covid-19 related economic crisis. Bank originated and funded loan, backed by the SBA.

ECONOMIC INJURY DISASTER LOAN (EIDL)

For companies suffering "economic injuries" related to the Covid-19 crisis. This is a direct loan from the SBA. Application is made through their website, and underwriting and credit decision is made by the SBA.

- Payroll Expenses
- Employee Salaries
- Mortgage Interest
- Rent and Utilities
- Interest on debt incurred before 2.15.20



- Payroll
- Fixed Debts
- Accounts Payable
- Other expenses that can't be paid because of the disaster's impact

2.5X business's average monthly payroll in the last 12 months

Included in the payroll calculation are salary (up to \$100K individually), wages, commissions, cash tips, vacation/sick/family leave (some exclusions), severance pay, health insurance premiums/health care benefits, retirement pay, and state local taxes assessed on employee compensation.



up to **\$2 million**

Loans up to \$25,000 are unsecured with no personal guarantee. Loans above that amount, up to \$200,000 may be secured but with no personal guarantees. Loans above \$200K will require guarantee of individuals with 20% or more ownership in the company. Loan proceeds may be used for payroll, pay obligations that cannot be met due to revenue loss, etc.

Non-forgiven portion of loan is payable over a two-year term

1.00%
Annual Percentage Rate

0%
RATE

3.75%
Annual Percentage Rate

payments deferred for
6 months

unsecured loan, no personal guarantees required



up to **30 years**

\$10,000 emergency grant is available upon application. SBA claims they will advance the grant within 3 days. Larger loans (above \$25,000) usually require collateral, if available.

up to **100%** with conditions
forgivable portion is non-taxable



0% is eligible for forgiveness
Repayment is required

* This information is accurate and updated as of 04.03.2020. Terms and conditions are subject to change.

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