



 ModernAdvisors

SBA Loan Assistance





Current:
Economic Injury Disaster Loan (EIDL)

Paycheck Protection Program
(CARES Act)



Economic Injury Disaster Loan (EIDL)





EIDL specifics

- Declaration must first be made by state Governor to SBA with approval process to follow.
- Loans available up to \$2 million.
- Loan interest rates are 3.75% for small businesses and 2.75% for nonprofits (currently, there is no provision to lower the rates).
- Employers with 500 employees or less are eligible.



EIDL specifics (cont.)

- Maximum loan term of up to 30 years (term is determined on a case-by-case basis).
- Must have applicable credit history.
- Must show ability to repay loan.
- Collateral is required for loans over \$25,000. SBA accepts real estate as collateral when applicable. SBA will not decline a loan for lack of collateral and will require borrower pledge collateral that is available.

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Paycheck Protection Program

CARES Act



Paycheck Protection Program specifics



- Loans available up to \$10 million.
- Loan amount is calculated at 2.5 times average monthly payroll expenses over a 12-month period.
- Loan interest rates are 0.5% (Original rate under Cares Act was capped at 4%)
- Maximum loan term of up to 2 years (Original term in the Cares Act allowed 10 years)



Paycheck Protection Program specifics (cont.)



- Must show ability to repay loan.
Note: CARES Act deferment of payment is automatically 6 months and up to 1 year.
- Loan forgiveness is a percentage of payroll costs, rent or mortgage interest, utilities, and other debt interest for the 8 week period after the loan originates.
- * See qualifications for loan forgiveness.
- Businesses who receive Paycheck Protection Program loans to cover employee salaries, payroll support, mortgage or other debt obligations cannot also receive EIDL loans for the same purpose.



Be prepared (get documentation ready!) for EIDL Loans

- Current financial information (income, balances of bank/credit accounts and monthly expenses).
- Forms required for EIDL Loans:
 - Form 5 - Business Loan Application
 - P-019 - Economic Injury Disaster Loan Supporting Information
 - SBA Form 413- Personal Financial Statement
 - Form 4506-T - For business, personal and any related businesses (e.g., real estate partnership)
 - SBA form 2202 - Schedule of Liabilities
- Additional information related to payroll may be requested*. Applicants have 7 days to respond to additional requests.



Be prepared (get documentation ready!) for PPP Loans

- Forms required for PPP Loans:
 - Form 2438 on the SBA website
 - Payroll documentation from the last 12 months
 - Approved lenders and banks may request additional information