

The following chart summarizes three different types of SBA loan programs – the traditional SBA Section 7(a) loan program (generally up to \$5 million), the Economic Injury Disaster Loan under SBA Section 7(b) for up to \$2 million for those businesses impacted by COVID-19 and the Paycheck Protection Program, a loan issued pursuant to the traditional SBA Section 7(a) loan but increased to \$10 million for businesses impacted by COVID-19. The Paycheck Protection Program also relaxes other requirements associated with traditional SBA Section 7(a) loans.

Overview of the Relief Available to Small Business Concerns

	Traditional SBA 7(a) Lending Program	Economic Injury Disaster Loan (EIDL) Under SBA Section 7(b) Lending Program	CARES Act Paycheck Protection Program under SBA Section 7(a) Lending Program
Limits and Payment Terms	<p>Limits for SBA Section 7(a) guaranteed loans (expanded under the CARES Act):</p> <ul style="list-style-type: none"> • Maximum: Up to \$5 million (average about \$425,000) • Term: Working capital loans generally up to 7 years. Real estate or construction loans may be for up to 25 years. Other SBA loans are generally for 10 years. • Type of loan: Provided by SBA-approved lender. <p>In addition to the above, there is the SBA Express Loan Program (maximum \$350 thousand), Patriot Express Loans (for veterans and members of the military community), SBA Microloan Program (loans from \$500 to \$50 thousand), Export Working Capital loans (90% SBA guaranty for a loan up to \$4.5 million), and CAPLines (requires holders of 20% ownership interest to guarantee the loan).</p>	<p>Up to \$2 million.</p> <p>Term: Up to 30 years with 3.75 interest (qualified businesses) and 2.75 (non-profit).</p> <p>Type of loan: Direct and indirect loans.</p> <p>Assists qualified businesses affected by COVID-19 to meet working capital needs or normal business operating expenses through the recovery period.</p> <p>Special Note-The CARES Act created an EIDL Emergency Grant that provides that an eligible entity that applied for an EIDL loan can request an advance “emergency grant”, not to exceed \$10 thousand within 3 days after SBA receives the application. If the grant is used for eligible expenses (including not limited to paid sick leave, maintaining payroll, mortgage/rent, supply chain costs) no payback necessary.</p>	<p>250% of average monthly payroll expenses, up to a total of \$10 million. This amount is intended to cover 8 weeks of payroll expenses and any additional amounts for making payments towards debt obligations.</p> <p>Term: up to ten years with an interest rate capped at 4% per annum with no prepayment penalties.</p>

	Traditional SBA Section 7(a) Lending Program	EIDL under SBA Section 7(b) Lending Program	Paycheck Protection Program under SBA Section 7(a) Lending Program
<p>Eligibility Requirements for Specific SBA Loans</p>	<p>Small business concerns - in general, to be considered small, business concerns must meet a particular size standard that corresponds to a 6-digit North American Industrial Classification System (NAICS) code. Each size standard is generally stated in terms of either receipts or employees, and in limited cases it is based on other than receipts or employees (e.g., average assets for certain financial institutions). SBA considers the receipts or employees (or other measure) of an applicant/participant/offeror, and all of its domestic and foreign affiliates, when determining a business concern's size.</p> <p>To determine an applicant's number of employees, each applicant can generally expect that it must aggregate all employees on an affiliate basis, including subsidiaries and, in the context of private equity-backed and venture capital-backed businesses, portfolio companies.</p> <p>If the size standard is receipts-based, the small business will need to calculate its total receipts for its 3 most recently completed fiscal years and divide the total by 3. Therefore, if the concern's annual receipts were \$3 million for 2015, \$10 million for 2016 and \$2 million for 2017, and it had no affiliates, its size would be \$5 million (i.e., $15/3 = 5$).</p> <ul style="list-style-type: none"> SBA Form 1919 and SBA Form 1920 must be provided as part of the application along with a number of other documents. 	<p>A small business with fewer than 500 employees or a small business that otherwise meets the SBA's size standards for a small business.</p> <p>The requirements for getting a loan include submitting the following documents:</p> <ul style="list-style-type: none"> the application (SBA Form 5 or 5C); tax information authorization (IRS Form 4506 T), completed and signed by each applicant, each principal owning 20% or more of the applicant business, each general partner or managing member; and, for any owner who has greater than 50% ownership in an affiliate business; complete copies of federal income tax returns for the applicant business; personal financial statements (SBA Form 413D) completed by the applicant, each principal owning 20% or more of the applicant's business, and each general partner or managing member; a schedule of liabilities listing all fixed debts (SBA Form 2202 may be used); and a fee disclosure (SBA Form 159D), if applicable. <p>You may download the forms from the SBA website.</p>	<p>A business with: (i) fewer than 500 employees; (ii) a small business that otherwise meets the SBA's size standard; (iii) a 501(c)(3) with fewer than 500 employees; (iv) an individual who operates as a sole proprietor; (v) an individual who operates as an independent contractor; (vi) an individual who is self-employed who regularly carries on any trade or business; (vii) a Tribal business concern that meets the SBA size standard; and (viii) a 501(c)(19) Veterans Organization that meets the SBA size standard.</p> <p>In addition, statutory exemptions are made in the legislation for: (i) franchise and hospitality businesses (NAICS code 72 "accommodation and food services") with multiple locations, whereby the 500 person limitation is tested on a per location business; and; (ii) any business receiving financial assistance from a Small Business Investment Company (SBIC).</p> <p>Nonprofit organizations and portfolio companies owned or controlled by private equity-backed and venture capital-backed businesses are subject to SBA's affiliation standards.</p> <p>The CARES Act waives the requirement that credit be available elsewhere.</p> <p>Expands allowable uses of SBA Section 7(a) lending programs to include payroll support, such as paid sick or medical leave, employee salaries, mortgage payments, rent, utilities,</p>

		The SBA may request additional information.	and interest on any debt obligations incurred prior to the covered period.
Interest Rates (actual rates may vary)	Rates depend on loan amount and maturity (ranging from prime + 2.25% to prime + 2.75%).	3.75% for profit and 2.75% non-profit.	Interest rates will be under 4%.
Collateral	SBA expects all available company assets to be offered as collateral. If such collateral is insufficient, liens on personal assets may be required.	Collateral is required for loans over \$25 thousand.	No personal guaranty and no collateral are required for the covered loans.
	Traditional SBA Section 7(a) Lending Program	EIDL under SBA 7(b) Lending Program	Paycheck Protection Program under SPA Section 7(a) Lending Program
Other Key Terms	There are additional fees for these loans, including a fee from the SBA for its guaranty and general fees for the lender depending on the maturity date.	To apply for a loan, first an Economic Injury Disaster Loan assistance declaration must be made covering the applicable state. To date, every state, the District of Columbia, and all U.S. territories have declared such due to COVID-19.	The Paycheck Protection Program provides a process by which borrowers who receive this loan could be eligible for loan forgiveness in an amount equal to the payroll cost, any payment of interest on certain mortgage obligations, certain rent obligations, and certain utility payments for the 8-week period following the date of the loan. The amount of the loan eligible for forgiveness will be reduced proportionally by the number of employees laid off during this period relative to the borrower's prior employment levels.
Application link	Find a lender offering standard SBA.	Apply for a SBA disaster loan.	Pending: Congress has mandated the SBA produce implementing regulations within 15 days of passage.

**For additional information, please see [more resources on the SBA website.](#)*