Comparison between Paycheck Protection Program (PPP) Loans and Economic Injury Disaster Loans (EIDL)

	PPP	EIDL
Eligibility	Primarily small business in U.S. with fewer than 500 employees, including sole proprietors	Primarily small business in U.S. with fewer than 500 employees, including sole proprietors
Amount of Loan	Up to 2.5x of average monthly payroll or $10m, whichever is less	Up to $2m
Interest Rate	1%	3.75% for profit; 2.75% non-profit
Collateral	None	General security interest in business assets for loans greater than $25,000
Personal Guarantee	None	Loans in excess of $200,000 require personal guarantee
Use of Loan Proceeds	Rent, payroll and related benefits*, interest on mortgage payments and other debt (not principal), and utilities	Fixed debts, payroll and related benefits*, accounts payable and other expenses that cannot be paid because of disaster
Restrictions on Use	Generally, cannot be used for expenses other than those listed above	Cannot refinance other debt, pay other SBA loans or lenders, pay tax penalties, civil fines, repairs of property, or pay dividends/distributions to owners
Term	2 years	Up to 30 years
Deferral (interest accrues)	Up to 6 months	Up to 12 months
Prepayment	No penalty	No penalty
Forgiveness	Forgiveness eligibility available if at least 75% used for payroll costs; 25% can be used for interest on mortgage, rent, utilities; must keep wages and employees	None
Grant	None	Free grant up to $10,000

*Both loans cannot be used to pay same obligations (e.g., paying same employees in same pay period)