

Loans Available for Nonprofits in the CARES Act, as Amended

Program	Paycheck Protection Program (Emergency SBA 7(a) Loans) Secs. 1102, 1106	Expanded EIDL & Emergency Grants (SBA 7(b) Loans) Sec. 1110	Mid-Size Loan Program Sec. 4003
Description	Emergency loan program for nonprofits and for-profit entities to secure funds to pay staff and operating costs for 24 weeks, and secure full loan forgiveness under certain circumstances.	Existing Economic Injury Disaster Loan (EIDL) program expanded to more for-profit entities, applies looser credit standards, and creates a rapid grant procedure.	Largely undefined loan program to be created by the Treasury Department to fill the gap between the Paycheck Protection Program for smaller employers and the industry stabilization loans to big business.
Size Eligibility	500 or fewer employees	Existing EIDL limits for nonprofits*	Between 500 and 10,000 employees
Dollar Amount	The lesser of \$10 million or 2.5 times the average total monthly payroll costs from the one-year period (look back) prior to the date of application. Alternative look-back periods may also be selected.	Normal EIDL loans available up to \$2 million (limited by SBA). EIDL advances of \$10,000 paid within 3 days (limited by SBA to \$1,000 per employee up to limit).	Unspecified
Loan Processor	Local financial institutions	Small Business Administration	Local financial institutions
Nonprofit Eligibility	Must have been in operation on 2/15/2020 and had paid employees and/or paid independent contractors. Expressly available for charitable nonprofits with 500 or fewer employees, but requires that employees of affiliated nonprofits may be counted toward the 500 employee cap, depending on the degree of control of the parent.	In operation before 1/31/2020. Loans can be based solely on credit score. Existing EIDL program applies to “private nonprofit organizations” that excludes religious institutions and some other charitable organizations.	Expressly applies to “nonprofit organizations”
Personal Guarantee	No collateral or personal guarantee required.	Waives personal guarantee up to \$200,000, and requirement of inability to obtain credit elsewhere.	Unspecified
Certification	Good-faith certification that economic uncertainty makes request necessary; funds	Self-certification under penalty of perjury.	Good-faith certification that need is based on economic conditions; funds to be used

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	to be used to retain workers and maintain payroll or make mortgage, lease, and utility payments; and no duplicate application or receipt of funds for same purposes.		to retain and restore employment, won't abrogate collective bargaining agreements, and will remain neutral in union organizing efforts, among other things.
Loan Use	Payroll costs, mortgage interest payments, rent, utilities, and interest on prior debt during the 24-week period following loan origination.	\$10,000 advance: Paid sick leave, meeting payroll, increased costs due to disrupted supply chain, mortgage, debt service.	To retain 90% of workforce at full wages and benefits through 9/30/2020 and intention to restore 90% of workforce in place on 2/1/2020.
Loan Terms	1.0% interest rate; payments (principal and interest) deferred until loan forgiveness amount remitted to lender. Maximum of 5 years if originated after June 4. Pre-existing loans can be renegotiated from 2 to 5 years.	Normal EIDL: 2.75% interest rate for nonprofits \$10,000 advance treated as a grant	Interest capped at 2% with no principle or interest paid for first 6 months.
Loan Forgiveness	Employers that maintain employment for the covered period after origination of loan, or rehire employees by Dec. 31, will have loans forgiven in whole or part, essentially turning the loan into a grant. Section 1106.	\$10,000 advance forgiven even if borrower denied EIDL loans. EIDL advance not forgiven if borrower also receives a PPP loan. Section 1110(d)(6)	Expressly prohibited in statute. Section 4003(d)(3)
Key Definitions	Covered Period means the 24-week period following loan origination. Employee means an individual working on a full-time, part-time, or other basis. Payroll Costs include compensation (including benefits costs) paid to employees and contractors, capped at \$100,000 per year per individual (prorated over the "covered" period), and state/local payroll taxes, e.g., unemployment costs.	Covered Period means 1/31/2020 through 12/31/2020. Eligible entity means a business with 500 or fewer employees. *Eligible private nonprofits include all charitable nonprofits, including faith-based organizations, per SBA FAQs.	
Application & Documentation	SBA Instructions and sample application PPP loan forgiveness instructions and application . See interim final rule and National Council of Nonprofits Analysis .	COVID-19 Economic Injury Disaster Loan Application	To be announced

This chart is neither financial nor legal advice for any specific organization. It is an analysis of the new law before any rules or regulations. June 5, 2020