

# FEDERAL BUSINESS LOANS FOR COVID-19 RELIEF

Federal Loan Programs	SBA Paycheck Protection Program (PPP)	SBA Economic Injury Disaster Loan Assistance Program (EIDL)	SBA "CARES" Act Proposed 7(a) Changes
<b>Maximum Loan Amount</b>	Up to the lesser of \$10 million or 2½ times the average monthly payroll costs based on the prior year	Up to \$2 million; maximum unsecured loan \$25,000	Up to \$10 million for 7a express loans through 12/31/2020 thereafter the maximum loan amount will be reduced to \$350,000
<b>Eligibility</b>	Small businesses, non-profit organizations, Tribal business concerns, veteran organizations with less than 500 employees	Due to limitations in funding availability and the high volume of applications received, only agri-business applications are being accepted at this time	Based on credit of borrower and guarantors
<b>Collateral</b>	Waives Collateral and personal guarantee requirements	Loans over \$25,000 require collateral Loans under \$25,000 not declined for lack of collateral but borrowers required to pledge what is available	Loans over \$25,000 require collateral Government guarantee of 7(a) loans will be 100% through December 31, 2020, at which point guarantee percentages will return to 75% for loans exceeding \$150,000 and 85% for loans equal to or less than \$150,000
<b>Terms</b>	Depending upon timing of loan, terms are 2 or 5 years (see below). Borrowers are eligible to submit for partial or full loan forgiveness. All payments are deferred to the date which SBA remits the forgiveness amount to the lender. Borrowers who do not apply for forgiveness will have 10 months from the program's expiration to begin making payments.	Terms up to 30 Years; no payments during the first year	Terms up to 25 years based on industry and lender; eligible for deferred payments for 6 to 12 months
<b>Interest Rate</b>	Loans made before June 5, 2020 - 1% fixed rate for 2 years; Loans made on or after June 5, 2020 - 1% fixed rate for 5 years.	3.75% for small for-profit businesses 2.75% for private non-profit	Interest Rate negotiated between borrow and lender, subject to SBA maximums
<b>Allowable Use of Funds</b>	Payroll costs (at least 60% of loan), health care benefits, mortgage interest obligations, rent obligations, utility payments, interest on other debt incurred prior to February 15, 2020	Working Capital expenses including fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. Loans not intended for lost sales/profits or expansion	Working Capital
<b>How to Apply</b>	Apply through York Traditions Bank <a href="http://www.yorktraditionsbank.com/PPP">www.yorktraditionsbank.com/PPP</a>	Apply directly to the SBA	Apply through York Traditions Bank as a partner of the SBA
<b>Additional Resources</b>	<a href="https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program">https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program</a>	<a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a>	<a href="http://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans">www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans</a>

**Please note:**

• More details on the Federal Reserve's **Main Street Business Lending Program** will be shared as they are released.



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