



COVID-19 Federal and State Stimulus for Louisiana's Small Businesses and Nonprofits

Federal Stimulus – CARES Act

	Paycheck Protection Program	Economic Injury Disaster Loans (EIDL)
Description	<ul style="list-style-type: none"> • Emergency Loan Program • For profits and nonprofits can apply 	<ul style="list-style-type: none"> • Existing EIDL program • Expanded to include more types of for-profit businesses • Applies looser credit standards • Creates a rapid grant procedure • For profits and nonprofits can apply
Loan Uses	<p>For 8 week period following loan origination:</p> <ul style="list-style-type: none"> • Payroll and associated costs • Mortgage interest payments • Rent • Utilities • Interest on prior debt 	<ul style="list-style-type: none"> • Paid sick leave • Payroll and associated costs • Increased costs due to disrupted supply chain • Mortgage • Debt service
Dollar Amount	<ul style="list-style-type: none"> • 2.5 times average monthly payroll costs up to \$10 million 	<ul style="list-style-type: none"> • Normal EIDL loans up to \$2 million • \$10,000 advance paid within 3 days
Loan Processor	<ul style="list-style-type: none"> • Local financial institutions 	<ul style="list-style-type: none"> • US Small Business Administration

This chart is neither financial nor legal advice for any specific organization. It is an analysis of the law before any rules or regulations.
April 2, 2020





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Federal Stimulus – CARES Act (continued)

	Paycheck Protection Program	Economic Injury Disaster Loans (EIDL)
Personal Guarantee	<ul style="list-style-type: none">• No collateral or personal guarantee required	<ul style="list-style-type: none">• Waives personal guarantee up to \$200,000• Waives requirement of inability to obtain credit elsewhere
Loan Terms	<ul style="list-style-type: none">• 4% interest rate• First 6 months of payment automatically deferred• Maximum loan term 10 years	<ul style="list-style-type: none">• Normal EIDL interest rates• \$10,000 advance treated as a grant
Loan Forgiveness	<p>Loans will be forgiven in whole or in part if:</p> <ul style="list-style-type: none">• Employers maintain employment during 8 weeks after loan origination• Or, if employers rehire employees by June 30 <p>This essentially turns the loan into a grant.</p>	<ul style="list-style-type: none">• \$10,000 advance forgiven even if borrower is denied EIDL loan
Application and Documentation	<ul style="list-style-type: none">• SBA Instructions• Sample Application	<ul style="list-style-type: none">• Loan Application

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Louisiana Stimulus

Louisiana Loan Portfolio Guaranty Program (LPGP)

Description	<ul style="list-style-type: none">• For small businesses employing under 100 workers• Includes farmers and fishermen• Main Street small businesses are especially encouraged• Program complements rather than competes with CARES Act
Loan Uses	<p>For 8 week period following loan origination:</p> <ul style="list-style-type: none">• Maintain employee payroll at same levels as the time of loan application• Maintain continuance of operation within COVID-19 Executive Orders
Dollar Amount	<ul style="list-style-type: none">• Up to \$100,000
Loan Processor	<ul style="list-style-type: none">• Specific local financial institutions

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Louisiana Stimulus (continued)

Louisiana Loan Portfolio Guaranty Program (LPGP)

Loan Terms

- Repayment period at least one year, maybe longer up to 5 years
- Fixed interest rate at a maximum of 3.5%
- First 6 months bears no interest
- No payment required for first 6 months

Application and Documentation

- [Additional Information](#)

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