



SBA Loans Frequently Asked Questions

In preparation of small businesses applying for the Small Business Administration's Economic Injury Disaster Loan (EIDL) and/or Paycheck Protection Program (PPP), the Office of Commissioner Bridget Gainer has put together frequently asked questions from hosting town halls and review materials with the Small Business Administration.

For more questions and guidance, please contact the Office of Commissioner Gainer at (312) 603-4210 or district10@cookcountyil.gov.

1. How do I apply for the Economic Injury Disaster Loan?

To apply for the EIDL, visit <https://disasterloan.sba.gov/ela/> and click on "Apply Online."

2. How do I apply for the Paycheck Protection Program?

Businesses and organizations can contact lenders directly. All 1,800 banks that currently participate in the SBA's 7(a) loan program are expected to participate in the PPP option. Our office is also putting together a lender list that will be sent out.

3. How should a business determine which loan option is the best for it?

Businesses should consider refer to this [chart](#) when deciding the best option.

4. Can a business apply for both the Economic Injury Disaster Loan (EIDL) and the Paycheck Protection Program (PPP)?

Yes – However, under Section 1102(a)(2)(G), a PPP borrower has to certify, "the eligible recipient has not received amounts under this subsection for the same purpose and duplicative amounts." Therefore, to secure both funding options and ensure your PPP loan is forgiven, you must use the loan amounts to cover different expenses. Full law [here](#).

5. Can businesses refinance the Economic Injury Disaster Loan (EIDL) into the Paycheck Protection Program (PPP)?

Businesses have the option to refinance the EIDL into the PPP for loan forgiveness. Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness terms for a PPP loan, would remain a loan. If you took advantage of an emergency EIDL grant award of up to \$10,000, that amount would be subtracted from the amount forgiven under PPP.



6. Can businesses receive loan forgiveness for both the Economic Injury Disaster Loan and the Paycheck Protection Program?

EIDL loans do not qualify for loan forgiveness. PPP loans can be up to 100% forgiven. Please see question 8 for more information on loan forgiveness terms.

7. How do I calculate my company's average monthly payroll costs?

Payroll costs include the following: salary, wages, commissions, or tips, employee benefits, parental, family, medical or sick leave, allowance for separation or dismissal, payments for group health benefits and payment for retirement benefits, state and local taxes.

8. What is required to meet loan forgiveness conditions under the Paycheck Protection Program (PPP)?

The Payroll Protection Program (PPP) can be 100% forgiven if the following conditions are met:

- Number of Staff: Must maintain your full-time employee headcount.
- Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
- Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.
- The loan is only used for payroll costs, mortgage interest, rent and utilities payments over the 8 weeks after getting the loan

9. How can applicants check the status of their Economic Disaster Injury Loan (EIDL) online?

After you have applied for the EIDL, you can check your loan application status on <https://covid19relief.sba.gov/#/>

10. Are banks conducting the approvals for Payroll Protection Program (PPP)?

Yes - all existing SBA-certified lenders will be given delegated authority to speedily process PPP loans. The SBA guarantees 100% of these loans.

11. How long will it take for funds to be disbursed?

The SBA EDIL will disburse funds within 5 days of execution of closing documents. If you apply for the \$10k advance, it will be disbursed in 3 days.



12. How can businesses receive the \$10,000 grant?

EIDL will provide certain businesses that need funding immediately an advance of up to \$10,000 within 3 days of the EIDL application submission. Businesses will not be required to repay the \$10,000 advance even if SBA ultimately denies the application.

13. When does the application for the Payroll Protection Program (PPP) open?

Starting April 3: Applications open for small businesses and proprietorships

Starting April 10: Applications opens for independent contractors and self-employed individuals

Lenders will be available as soon as they are approved and enrolled in the program

14. How will the Paycheck Protection Program determine the amount of the loan for businesses?

The PPP loan amount is a calculation of 2.5 times the average monthly payroll costs, measured over the 12 months preceding the loan origination date. The maximum loan amount is \$10 million.

Quick Links

- [Commissioner Gainer's Virtual Townhall PowerPoint](#)
- [Commissioner Gainer's Virtual Townhall Recording](#)
- [EIDL Application Link](#)
- [PPP Application Link](#)
- [PPP Approved Lenders List](#)