Payment Integrity Scorecard

Program or Activity	Reporting Period
7(a) Guaranty Approvals	Q1 2021

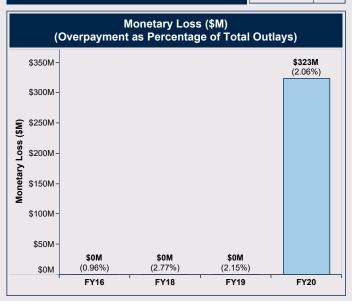| Change from Previous FY ($M)	$323M ⬆

SBA
7(a) Guaranty Approvals

Brief Program Description:
7(a) Loan Program, SBA's most common loan program, includes financial help for small businesses with special requirements. Loans can be used for real estate, working capital, refinancing business debt, and purchasing furniture, fixtures, and supplies.

Key Milestones		Status	ECD
1	Develop mitigation strategies to get the payment right the first time	On-Track	Sep-21
2	Evaluate the ROI of the mitigation strategy	On-Track	Sep-21
3	Determine which strategies have the best ROI to prevent cash loss	On-Track	Sep-21
4	Implement new mitigation strategies to prevent cash loss	On-Track	Sep-21
5	Analyze results of implementing new strategies	On-Track	Dec-21
6	Achieved compliance with PIIA	On-Track	Mar-22
7	Identified any data needs for mitigation	On-Track	Mar-21

Monetary Loss ($M)
(Overpayment as Percentage of Total Outlays)

Bar chart — Monetary Loss ($M):
- FY16: $0M (0.96%)
- FY18: $0M (2.77%)
- FY19: $0M (2.15%)
- FY20: $323M (2.06%)

Goals towards Reducing Monetary Loss			Status	ECD
1	Q1 2021	All improper payments identified as a result of the FY2020 IPERIA reviews have been resolved through reduction or cancellation of the loan guaranty. Corrective actions are generally initiated within 120 days and completed within the fiscal year.	Completed	Sep-21

Recovery Method		Brief Description of Plans to Recover Overpayments
1	Recovery Audit	There is no monetary loss on loan approvals. SBA will continue to reduce or cancel the loan guaranty in order to mitigate or eliminate improper payments.

Accomplishments in Reducing Monetary Loss		Date
1	Developed Corrective Action Plan for 7(a) Loan Program Approval Centers	Sep-20
2	Identification of tolerable Improper Payment Rate for 7(a) Loan Program Approvals of 2.05 percent.	Sep-20
3	Resolved improper payments that were identified in FY2020 by reduction or cancellation of the loan guaranty.	Sep-20

Amt($)	Root Cause of Monetary Loss	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$323M	Failure to Verify: Financial Data	Delegated lenders' failure to authenticate borrowers' eligibility in compliance with loan program requirements.	Training	.External training for lenders will reinforce Lenders' understanding of SBA's Loan Program Requirements, generating greater Lender compliance.

Monetary Loss - Monetary loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.