

# Payment Integrity Scorecard

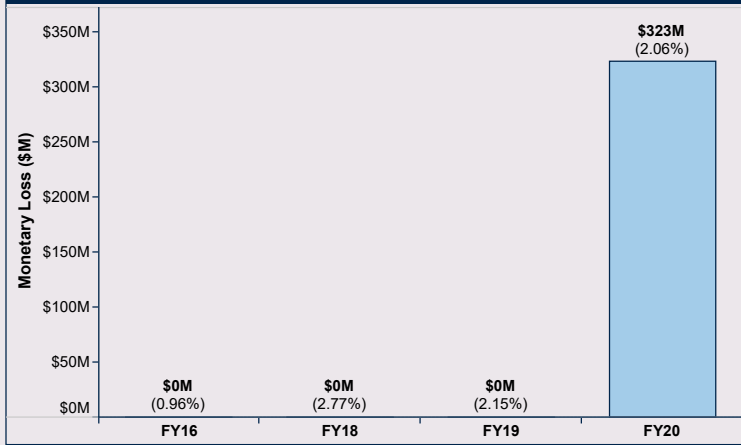
<b>Program or Activity</b> 7(a) Guaranty Approvals	<b>Reporting Period</b> Q2 2021
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<b>Change from Previous FY (\$M)</b>	<b>\$323M</b>	
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**SBA**  
7(a) Guaranty Approvals

**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.

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



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	Sep-21

Goals towards Reducing Monetary Loss	Status	ECD
1 Q2 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	Brief Description of Actions Taken to Recover Overpayments
1 Recovery Activity	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.	Reduction or cancellation of loan guaranty to mitigate or eliminate improper payment.

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
N/A	Failure to verify: other eligibility 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.