

Payment Integrity Scorecard

Program or Activity

COVID-Economic Injury Disaster Loan (EIDL)

Reporting Period

Q2 2023

FY 2022 Overpayment Amount (\$M)*

\$2,600

*Estimate based a sampling time frame starting 4/2021 and ending 3/2022



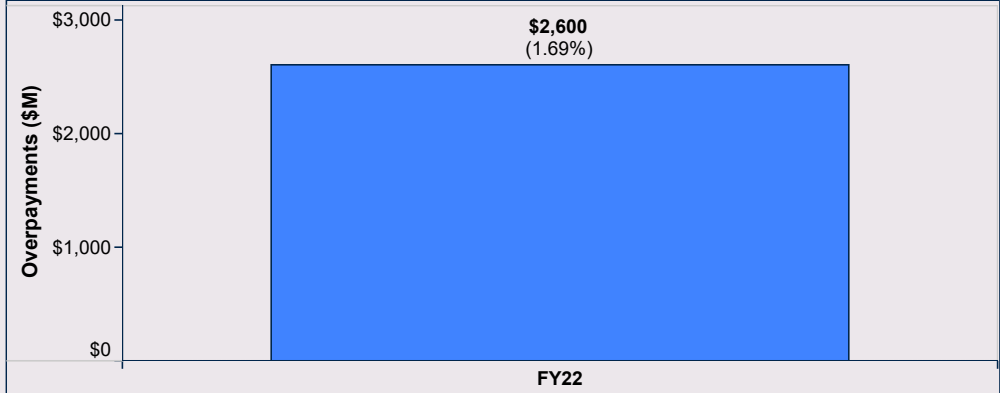
SBA

COVID-Economic Injury Disaster Loan (EIDL)

Brief Program Description & summary of overpayment causes and barriers to prevention:

The COVID-19 Economic Injury Disaster Loan (COVID-EIDL) Program was limited-funded program which provided loans to small businesses, contractors, and sole proprietors to alleviate the economic impact of the COVID-19 pandemic. The loans were intended to cover working capital and normal operating expenses and must be repaid. The SBA ceased accepting new applications as of January 1, 2022. As of May 6, 2022, requests for loan increases or reconsideration of previously declined loan applications, were no longer being accepted. As of May 16, 2022, the COVID-EIDL portal through which loans were processed, was permanently closed.

Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

The SBA ceased accepting new applications as of January 1, 2022. As of May 6, 2022, requests for loan increases or reconsideration of previously declined loan applications, were no longer being accepted. Therefore, the possibility of continuing overpayments in the COVID-EIDL program are not plausible and no preventative action is necessary.

Accomplishments in Reducing Overpayment

Date

	Accomplishments in Reducing Overpayment	Date
1	The SBA ceased accepting new applications as of January 1, 2022. As of May 6, 2022, requests for loan increases or reconsideration of previously declined loan applications, were no longer being accepted. The program has ended.	Oct-22

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Goals towards Reducing Overpayments	Status	ECD
<p>1</p> <p>The COVID-EIDL Program's top goal towards reducing overpayments for this quarter is reduction of Improper Payment rate of 0.1% for the year. The SBA ceased accepting new applications as of January 1, 2022. As of May 6, 2022, requests for loan increases or reconsideration of previously declined loan applications, were no longer being accepted.</p>	<p>Completed</p>	<p>Jan-23</p>

Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
<p>1</p> <p>Recovery Activity</p>	<p>The COVID-EIDL Program loan overpayments are recovered via repayment of the loan; the borrower is contractually obligated to repay the loan, which includes the portion of the loan that is an improper overpayment.</p>	<p>The SBA continues to recover overpayments during the reporting period through loan payments made by the borrower in receipt of the overpayment</p>

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
<p>\$2,600M</p>	<p>Overpayments within agency control that occurred because of an Inability to Access the Data/Information Needed.</p>	<p>SBA identified the primary root cause as Statutory Requirements of Program Were Not Met. In order to fit into categories in the OMB data-call, SBA identified a secondary root cause as Inability to Access Data/Information. SBA maintains that the primary root cause is correct</p>	<p>Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.</p>	<p>The Training mitigation strategy to decrease overpayments by educating the processing staff on properly addressing business and citizenship eligibility. Recent change to policy mitigates the need to address franchise documentation going forward. The anticipated impact is nil</p>