

Payment Integrity Scorecard

Program or Activity
COVID-Economic Injury Disaster Loan (EIDL)

Reporting Period
Q3 2023

FY 2022 Overpayment Amount (\$M)*

\$2,600

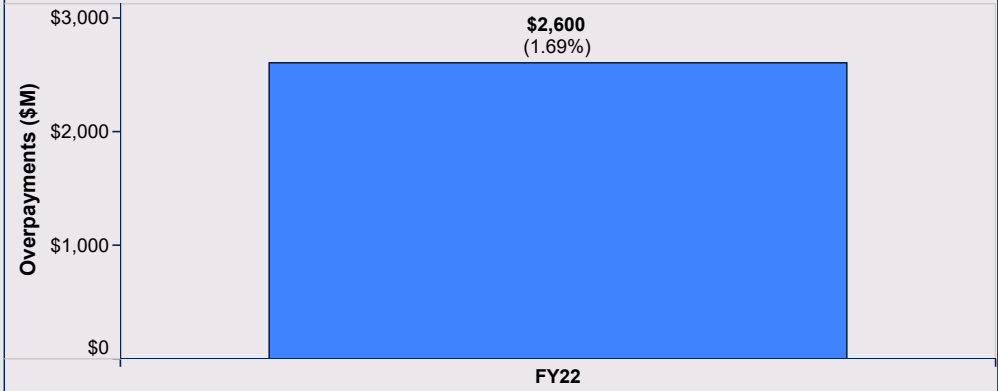
*Estimate based a sampling time frame starting 4/2021 and ending 3/2022

SBA 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. The primary cause of overpayments was due to statutory requirements not being met. There are no known barriers to prevention as loan increase and reconsideration requests have not been accepted since May 6, 2022; no program funds remain for approval or disbursement. Currently SBA is only performing re-issuance of funds obligated by prior to January 1, 2022, f

**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. Currently SBA is only performing re-issuance of funds obligated by prior to January 1, 2022, for COVID EIDL that were not deliverable due to technical issue such as incorrect routing number or bank accounts numbers. Eligibility for these COVID EIDL were determined in FY2022. Since there is no additional funding no further training or corrective actions are being performed. Improper payments audits were conducted related to these ongoing disbursements. Departments were notified of results and addressed corrective actions and training, in accordance with Numbered Memo 22-04, on noted improper payments. Overpayments will be recouped as loan payments are received from the Borrower.

Accomplishments in Reducing Overpayment

		Date
1	The estimated improper payment rate is anticipated to be in compliance for FY2023.	Jun-23
2	Agency completed an Agency Hold's project to reclassify COVID EIDL loans which were placed on Agency Hold due to possible fraud. Main task was to vet the Agency Hold and to classify within defined hold categories.	Jun-23
3	Agency has nearing completion of the re-issuance of funds obligated prior to January 1, 2022, which rejected due to technical issues.	Jun-23

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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
<p>1</p> <p>The COVID-EIDL Program's top goal towards reducing overpayments for this quarter is reduction of Improper Payment rate of by 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. Currently, SBA is completing disbursements of loans approved and funded prior to the program ending. SBA continues to perform improper payment audits re</p>	On-Track	Oct-23	<p>1</p> <p>Recovery Activity</p>	<p>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 payment. If borrower fails to repay the loan, regular defined recovery efforts are implemented.</p>	<p>Received payments and continue with regularly defined recovery efforts.</p>

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$0M	<p>Overpayments within agency control that occurred because of a Failure to Access 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>Training staff on causes and prevention of improper payments. It also includes educating staff on properly addressing business and citizenship eligibility; corrective action process may include obtaining required documentation. Impact is nil, as program ended.</p>