

# Payment Integrity Scorecard

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

**Reporting Period**  
Q4 2023

**FY 2022 Overpayment Amount (\$M)\***

**\$2,600**

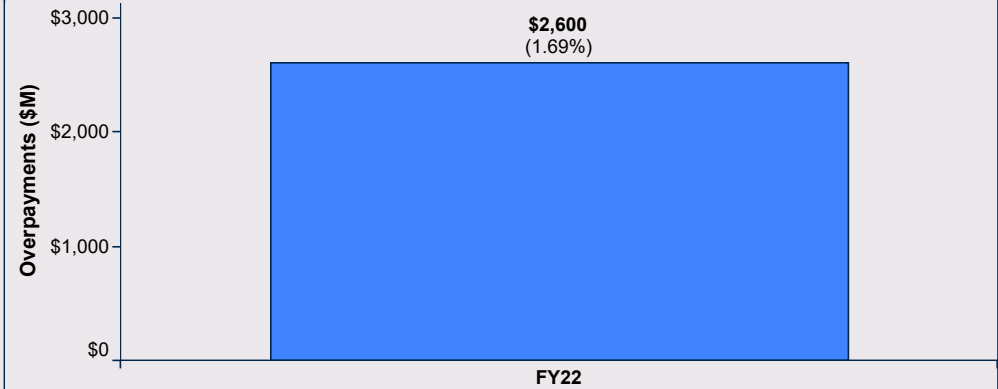
\*Estimate based a sampling time frame starting 4/2021 and ending 3/2022

**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 a limited-funded program which provided loans to small businesses, contractors, and sole proprietors to alleviate the economic impact of the COVID-19 pandemic. The SBA ceased accepting new applications as of January 1, 2022, and requests for loan increases or reconsideration as of May 6, 2022. The primary cause of overpayments was due to Failure to Access Data/Information Needed. 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, the SBA is only re-issuing previously obligated funds, if any, obligated by prior to January 1, 2022.

**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, the SBA is only performing re-issuance of COVID EIDL funds obligated prior to January 1, 2022, that were not deliverable due to technical issues such as incorrect routing numbers or bank accounts numbers; eligibility for these loans 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 re-disbursements. Disaster Departments were notified of the audit results, and corrective actions and training were addressed in accordance with Numbered Memo 22-04, on the 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 expected to be in compliance for FY2023.	Jun-23
2	The SBA has neared, if not completed, re-issuance of funds obligated prior to January 1, 2022, that were rejected due to technical issues such as incorrect routing numbers or bank account numbers.	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 the 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. The SBA continues to perform Improper Payment Audits on funds obligated before the program ended but re-issued due to technical issues.</p>	At Risk	Oct-23	1	Recovery Activity	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 the borrower fails to repay the loan, regular defined recovery efforts are implemented.	Recovered via loan payments received and continued regularly defined recovery efforts.
			2	Recovery Activity		
			3	Recovery Activity		

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
N/A	Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed.	The most prevalent causes of improper payments due to Failure to Access Data/Information Needed stemmed from missing verification of business ownership, incorrect accounting of duplication of benefits, missing franchise documentation, and miscalculation of economic injury.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	The Training mitigation strategy includes training the Departments' staff on causes and prevention of improper payments: business and citizenship eligibility. The corrective action process may include obtaining required documentation. Impact is nil as the program has ended.