

Payment Integrity Scorecard

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

Reporting Period
 Q2 2024

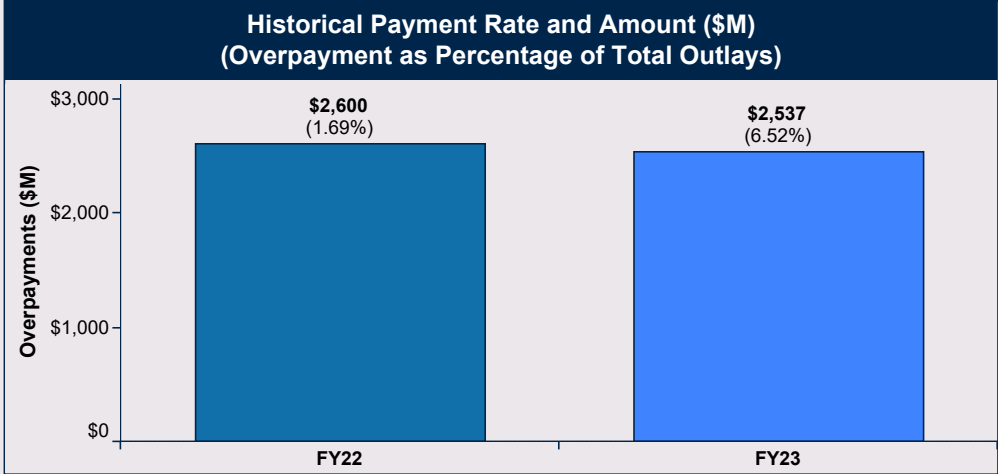
FY 2023 Overpayment Amount (\$M)* **\$2,537**

*Estimate based a sampling time frame starting 4/2022 and ending 3/2023

SBA Small Business Administration
 COVID-Economic Injury Disaster Loan (EIDL)

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

The COVID -19 Advance was a program which provided funding to help small business recover from the economic impact of the COVID -19 pandemic. COVID -19 EIDL funds could be used to cover working capital and other normal operating expenses. As of January 1, 2022, SBA stopped accepting applications for new Advances. As of May 6, 2022, SBA was no longer processing COVID -19 EIDL increase requests or requests for reconsideration of previously declined loan applications. As of May 16, 2022, the COVID-19 EIDL portal was closed.



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 were performed. Overpayments will be recouped as loan payments are received from the borrower.

Accomplishments in Reducing Overpayment **Date**

1	The COIVD EIDL Improper Payment Rate of 8.15% was below the 10% threshold required by OMB.	Dec-23
2	The COVID EIDL program has ended, and no additional funding is available for the program.	Dec-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
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.	Completed	Dec-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, regularly defined recovery efforts are implemented.	Recovered via loan payments received and continued regularly- defined recovery efforts.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$2,537M	Overpayments within agency control that occurred because of a Failure to Access 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 incorrect calculation of EI.	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. The corrective action process may include obtaining required documentation. Impact is nil as the program has ended.