Payment Integrity Scorecard

Program or Activity	Reporting Period	FY 2025 Overpayment Amount ($M)*	$125
Disaster Assistance Loans	Q4 2026		

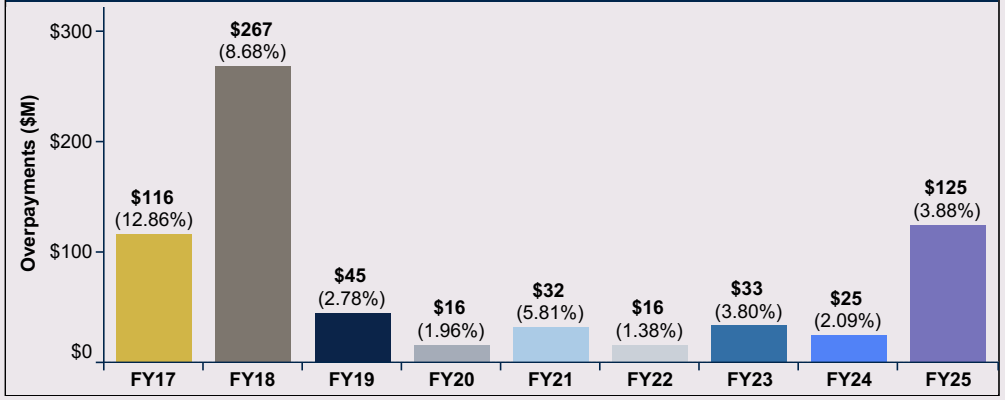
*Estimate based a sampling time frame starting 4/2024 and ending 3/2025

SBA
Disaster Assistance Loans

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

SBA Disaster Assistance Loan Program provides direct low-interest loans to businesses,homeowners, renters, & private nonprofit organizations impacted by declared disasters.Improper payment reviews assess borrower eligibility, loan amount accuracy, compliancewith disbursement requirements, & adherence to applicable statutes, regulations, SOPs, and internal guidance. The primary causes of IPs included fees charged for secured loans contrary to CFR requirements, duplication of benefits not adequately addressed, &improper calculation or determination of economic injury eligibility. Known barriers include high-volume disaster processing, reliance on applicant provided documentation, &balancing timely assistance with validation controls.

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

During the reporting quarter, the Disaster Lending Operations Division (DLOD) continued implementing corrective actions to address identified improper payment root causes related to eligibility determinations, duplication of benefits (DOB), unsupported documentation, insurance recoveries, calculation inconsistencies, & loss verification determinations. Enhanced quality controls reviews and management oversight were conducted to validate borrower eligibility, economic injury calculations, mitigation determinations, ownership verification, insurance recoveries, & compliance with applicable SOPs, regulations, & internal guidance prior to disbursement. DLOD continued utilizing the Unified Lending Platform (ULP) to standardize processing, improve documentation retention, & reduce manual processing errors through automated workflows and system controls. Corrective actions were also implemented to address issues associated with closing-related fees to ensure compliance with 13 CFR 123.8, including providing borrowers the option to close loans independently or authorize SBA-supported closing services. Additional actions included reinforcing SOP guidance and targeted reviewer feedback regarding hardship waiver documentation, DOB verification, EIDL calculation methodologies, mitigation classifications, and borrower eligibility requirements. Planned actions include continued monitoring of corrective actions, enhanced training &communication for processing staff, & ULP refinement

	Accomplishments in Reducing Overpayment	Date
1	Implemented ULP enhancements to standardize disaster loan processing, strengthen documentation retention, and reduces manual processing errors related to eligibility determinations, EIDL calculations, and DOB reviews.	Oct-25
2	Implemented corrective actions in February to ensure compliance with 13 CFR 123.8 by providing borrowers the option to close loans independently or authorize SBA supported closing services, eliminating impermissible closing-related fees.	Oct-25
3	Enhanced quality reviews and management oversight reviews to strengthen verification of borrower's eligibility, insurance recoveries, hardship waivers, mitigation determinations, and economic injury calculations prior to disbursement.	Oct-25

Payment Integrity Scorecard

Program or Activity
Disaster Assistance Loans

Reporting Period
Q4 2026

	Goals towards Reducing Overpayments	Status	ECD
1	Continue enhancing ULP controls and standardized processing requirements to improve documentation retention, strengthen eligibility and DOB validations, and reduce manual processing errors contributing to improper payments.	On-Track	Oct-27
2	Expand quality assurance and management oversight reviews focused on insurance recoveries, economic injury calculations, hardship waivers, mitigation determinations, and borrower eligibility to improve consistency and reduce overpayments.	On-Track	Oct-27

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	**Recovery Activity**		
2	**Recovery Activity**		
3	**Recovery Activity**		

Amt($)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$125M	Overpayments that occurred because of a Failure to Access Data/Information Needed.	The prevalent causes of improper payments stemmed from fees charged for secured loans contrary to the Code of Federal Regulations (CFR), duplication of benefits not adequately addressed, and improper calculation or determination of economic injuryeligibility.	Automation - automatically controlled operation, process, or system.	Implement ULP enhancements to standardize disaster loan processing, strengthen documentation retention, and reduces manual processing errors related to eligibility determinations, EIDL calculations, and DOB reviews.