

INSPECTION REPORT

INSPECTION OF SBA'S INITIAL DISASTER ASSISTANCE RESPONSE TO HURRICANE MARIA





EXECUTIVE SUMMARY

INSPECTION OF SBA'S INITIAL DISASTER ASSISTANCE RESPONSE TO HURRICANE MARIA

Report
No. 18-19

July 19, 2018

What OIG Reviewed

This report presents the results of our inspection of the Small Business Administration's (SBA's) initial disaster assistance response to Hurricane Maria. On September 20, 2017, Hurricane Maria struck the U.S. Virgin Islands as a category 5 hurricane, where it caused extreme damage in St. Croix and flooding in St. Thomas and St. John. Hours later, Hurricane Maria struck Puerto Rico as a category 4 hurricane and knocked out 100 percent of Puerto Rico's electrical grid. Estimated damages for Hurricane Maria are \$90 billion. This was the third major hurricane (after Harvey and Irma) to impact the United States and its territories between August 25 and September 20, 2017.

Our objective was to assess SBA's initial disaster assistance response to Hurricane Maria, including staffing adequacy, loan application volume, and timeliness of disaster loan approvals.

To answer our objective, we interviewed SBA Office of Disaster Assistance (ODA) officials to discuss staffing, disaster loan application processing, and loan applications remaining to be processed. We also reviewed applicable laws and regulations, SBA's standard operating procedures, and operating and training guidance. In addition, we conducted on-site visits in Puerto Rico and the U.S. Virgin Islands at a Disaster Recovery Center (DRC) and three Business Recovery Centers (BRCs) to determine SBA's initial disaster assistance to Hurricane Maria survivors. We analyzed data to assess loan application volume, processing times, and applications remaining to be processed.

What OIG Found

While still assisting disaster survivors in the U.S. Virgin Islands and Puerto Rico as a result of Hurricane Irma, SBA also provided staff for two BRCs and five DRCs in the U.S. Virgin Islands within 33 days after Maria made landfall. Regarding Puerto Rico, SBA established three BRCs within 13 to 26 days after Maria made landfall and provided staff for two DRCs established by the Federal Emergency Management

Agency 30 days after Maria made landfall. As of March 30, 2018, SBA staffed a total of 15 recovery centers in the U.S. Virgin Islands and 154 in Puerto Rico.

By September 30, 2018, ODA had increased staffing levels to 2,579 to provide assistance for all disasters, including Hurricanes Harvey, Irma, and Maria. Staffing levels peaked on December 13 at 5,094, and by December 30, 2017, staffing levels were at 4,703.

Although SBA hired staff, it did not fully anticipate the unprecedented need for Spanish interpretation services in Puerto Rico. SBA needed additional Spanish translation services to assist the staff in meeting the needs of disaster survivors. As a result, some survivors experienced estimated wait times of over 45 minutes or dropped calls.

Our review of loan volume and approvals for Hurricane Maria showed that by the end of March 2018, SBA accepted 90,477 applications; of those, 86,598, or about 96 percent, were processed, and 3,879, or about 4 percent, remained to be processed. SBA approved 40,246 of the 86,598 processed loan applications, totaling approximately \$1.5 billion. Of the 40,246 approved, 17,491 loans, totaling \$338,526,600, or about 22 percent, were disbursed. We also found there were 783 loss verifications remaining to be processed.

Lastly, we computed SBA's processing times for Hurricane Maria disaster loan applications with a loan approval, denial, or withdrawal as of March 30, 2018. The average processing time was about 30 days when computer-generated declines were not included. However, when computer-generated declines were included, the overall average processing time was about 27 days. SBA met its 45-day processing goal for the applications processed.



**U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF INSPECTOR GENERAL
WASHINGTON, D.C. 20416**

Final Report Transmittal
Report Number: 18-19

DATE: July 19, 2018

TO: Linda E. McMahon
Administrator

FROM: Hannibal "Mike" Ware
Inspector General

A handwritten signature in black ink, appearing to be "H. Ware", written over the printed name of the sender.

SUBJECT: *Inspection of SBA's Initial Disaster Assistance Response to Hurricane Maria*

This report presents the results of our inspection of the SBA's initial disaster assistance response to Hurricane Maria.

We appreciate the courtesies and cooperation extended to us during this inspection. If you have any questions, please contact me at (202) 205-6586 or Andrea Deadwyler, Assistant Inspector General for Audits, at (202) 205-6616.

cc: James Rivera, Associate Administrator
Pradeep Belur, Chief of Staff
Chris Pilkerton, General Counsel
LaNae Twite, Director, Office of Internal Controls

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Introduction

The Small Business Administration (SBA) plays a major role in disaster relief efforts in the wake of hurricanes, floods, earthquakes, and other physical disasters that occur in the United States and its territories. The mission of SBA's Office of Disaster Assistance (ODA) is to provide low interest disaster loans to individuals and businesses impacted by such disasters. Loans are offered to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace real estate, personal property, machinery and equipment, inventory, and business assets that have been damaged or destroyed in a declared disaster. SBA also provides eligible small businesses and most private non-profit organizations necessary working capital to help overcome economic injury.

On September 20, 2017, Hurricane Maria struck the U.S. Virgin Islands as a category 5 hurricane, where it caused extreme damage in St. Croix and flooding in St. Thomas and St. John. Hours later, Hurricane Maria struck Puerto Rico as a category 4 hurricane, with maximum winds of 155 miles per hour. Hurricane Maria was so powerful that it knocked out 100 percent of Puerto Rico's electrical grid, which disabled weather stations and radar and cell towers across the island.

The National Oceanic and Atmospheric Administration reported that Hurricane Maria was the third costliest U.S. hurricane on record, with estimated damages at \$90 billion. Puerto Rico's housing was the largest category of destruction, estimated by the island's government at about \$37 billion, with only a small portion covered by insurance. Hurricane Maria was the third of three major hurricanes (after Harvey and Irma) impacting the United States and its territories in less than 4 weeks, between August 25 and September 20, 2017.

By the end of March 2018, SBA received 90,477 Hurricane Maria loan applications; of those, 86,598, or about 96 percent, were processed, and 3,879, or about 4 percent, were remaining to be processed. Of the 86,598 loan applications processed, 40,246 were approved, totaling approximately \$1.5 billion. Of the 40,246 approved, 17,491 loans, totaling \$338,526,600, or about 22 percent, were disbursed.

Overview of Office of Disaster Assistance

ODA has five primary functional groups that perform discrete functions to assist disaster survivors: two Field Operations Centers (FOCs), West and East; the Customer Service Center (CSC); the Processing and Disbursement Center (PDC); and the Damage Verification Center (DVC). The Business Recovery Centers (BRCs) are set up by SBA. The Disaster Recovery Centers (DRCs) are set up by the Federal Emergency Management Agency (FEMA) and jointly staffed by SBA. The FOCs are responsible for assigning staff to the DRCs and the BRCs. There are two FOC locations: one in Sacramento, California, which services all disaster locations west of the Mississippi River, and one in Atlanta, Georgia, which services the geographic area east of the Mississippi.¹

Survivors who use DisasterAssistance.gov to register for FEMA grant assistance are automatically screened to determine whether they should be referred to the SBA disaster loan program. If referred, disaster survivors are immediately presented with the option to begin the SBA disaster loan application.

¹ Minnesota is assigned to FOC East in Atlanta, Georgia.

Disaster Loan Processing Overview

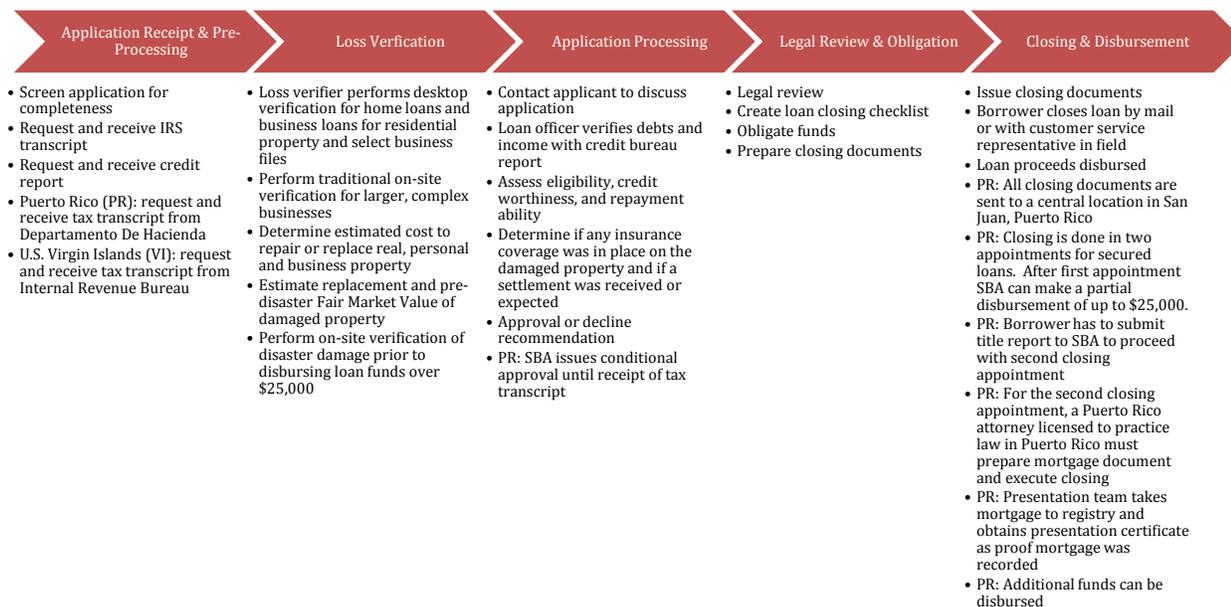
Disaster loan applications are routinely processed in Fort Worth, Texas, at the PDC where eligible applicants are evaluated for creditworthiness and repayment ability. Before a disaster loan can be approved, SBA must verify the loss the applicant sustained as a result of the disaster. Employees assigned to the DVC who perform these tasks are located in Herndon, Virginia; Atlanta, Georgia; Fort Worth, Texas; and Sacramento, California. Effective January 31, 2017, the Associate Administrator for Disaster Assistance implemented off-site (desktop) verification for all home and business loans determined to be for residential structures (single family, one to four rentals) or for a home-based operation with minor sustained real or business content losses. Effective August 25, 2017, SBA expanded the use of desktop verifications to include most business loans, excluding large, complex businesses.

The desktop verification process uses third-party information in conjunction with a telephone interview of the applicant to obtain information about the property and the extent of the damage sustained as a result of the disaster. For Presidential declarations like Hurricane Maria, all approved loan amounts of \$25,000 or less are reviewed, and the damage is compared with FEMA's database information.² Approved disaster loans over \$25,000 require an on-site inspection prior to disbursing any funds over \$25,000. If there is a discrepancy between the initial and the on-site verification, the loss verification staff conducts an extensive re-verification to more accurately determine the loss amount.

SBA processes disaster loan applications in accordance with its regulations and policies following damage loss verification. Those who qualify are approved, and their loan closing documents are prepared at the PDC. In addition, all disaster loans are disbursed by the PDC following receipt of the borrower's signed closing documents. SBA verified income through the Internal Revenue Bureau in the U.S. Virgin Islands and the Departamento De Hacienda taxing authorities in Puerto Rico. SBA has an electronic process in place with the IRS to request and receive tax transcripts. However, in the U.S. Virgin Islands and Puerto Rico, the request and receipt of tax transcripts is performed manually. In addition, according to Puerto Rican law, the mortgage deed must be prepared and executed by an attorney licensed to practice law in Puerto Rico. SBA established the Administrative Staging and Training Center (AST) in Puerto Rico to facilitate disaster loan processing. At the AST, SBA obtained tax transcripts from local taxing authorities, received loan documents from the PDC, and scheduled loan closing appointments. Functions performed at the AST are normally done at the PDC in Ft. Worth, Texas. Figure 1 summarizes the processing of disaster loans in the United States, Puerto Rico, and the U.S. Virgin Islands.

² Presidential declarations automatically activate SBA's disaster loan programs for individual assistance.

Figure 1: SBA’s Disaster Loan Process



Due to the unprecedented magnitude of Hurricanes Harvey, Irma, and Maria, SBA was still receiving loan applications as of March 30, 2018. Further, SBA expanded loan processing operations to three additional locations: Sacramento, California; Washington, DC; and Buffalo, New York. SBA the Farmers Branch, Texas, location in February 2018.

Prior Work

SBA OIG 18-16, *Inspection of SBA’s Initial Disaster Assistance Response to Hurricane Irma* (April 26, 2018). This report found that SBA established a meaningful presence in the immediate aftermath of Hurricane Irma. Within 20 days after Hurricane Irma was declared a disaster, SBA provided 127 staff for 27 recovery centers. By the end of December 2017, SBA had 4,703 staff and operated 134 centers. SBA management noted that although SBA was able to provide staffing to assist Hurricane Irma survivors, the Schedule A hiring process made it difficult to rapidly hire employees. Despite the unprecedented volume of disaster loan applications and hiring challenges, SBA met its 45-day processing goal for the applications. We found that SBA management could better assess their personnel needs if they fully utilized available management staffing tools.³

SBA OIG 18-10, *Inspection of SBA’s Initial Disaster Assistance Response to Hurricane Harvey* (January 19, 2018). This report found that SBA’s initial response to Hurricane Harvey was expeditious. By the end of October 2017, ODA had more than quadrupled its staff to 4,310 and operated 84 recovery centers. As of November 2, 2017, ODA had served 60,694 Hurricane Harvey disaster survivors. Despite its quick response, due to the magnitude of the three successive hurricanes impacting the United States and its territories, SBA was unable to meet its goals for answering calls and responding to email messages and had a backlog of 21,571 loan applications waiting to be processed.

³ When a disaster is declared, the Schedule A hiring process is used to fill time-limited positions of employees to make and administer disaster loans.

GAO 14-760, *Additional Steps Needed to Help Ensure More Timely Disaster Assistance* (September 29, 2014). This report found that SBA did not meet its 21-day timeliness goal for processing Hurricane Sandy business loan applications. SBA took an average of 45 days to process physical business loan applications to approval and 38 days for business economic injury loans. SBA stated that it was challenged by an unexpectedly high volume of loan applications received early in its response to the disaster, as well as by technological difficulties. The Government Accountability Office recommended that SBA revise its disaster planning documents and conduct a formal documented evaluation of lenders' feedback that can inform SBA and Congress about statutory changes that may be necessary to encourage lenders' participation in Immediate Disaster Assistance Program.

SBA OIG 14-14, *Improving Accuracy of Performance Reporting to Better Manage Disaster Loan Processing Time Expectations* (June 30, 2014). This report found that SBA's reported performance did not accurately communicate to eligible applicants and oversight officials how long it took staff to process loan applications. The processing time performance standards were generally not attainable beyond certain application volume levels.

SBA OIG 13-10, *The Small Business Administration Did Not Effectively Assess Disaster Assistance Staffing Requirements, Availability, and Readiness* (January 25, 2013). This report found that if another disaster of a magnitude similar to the 2005 Gulf Hurricanes occurred, SBA could encounter challenges in meeting staffing needs to achieve its mission. During the Gulf Hurricanes, training and supervising a large influx of temporary staff proved very difficult for SBA.

Objective

Our objective was to assess SBA's initial disaster assistance response to Hurricane Maria, including staffing adequacy, loan application volume, and timeliness of disaster loan approvals.

Staffing Adequacy

Initial Staffing Levels

The Small Business Act requires the SBA Administrator to ensure that the number of full-time equivalent employees in ODA is not less than 800 permanent employees and that the disaster cadre is not less than 1,000. By September 30, 2017, ODA increased staffing levels to 2,579 to process applications for all disasters, including Hurricanes Harvey, Irma, and Maria. Staffing levels peaked on December 13 at 5,094, and by December 30, 2017, staffing levels were at 4,703. Table 1 shows the overall staffing levels at the ODA Functional Centers.

Table 1: ODA Staffing Levels – All Disasters

Functional Center Name	9/30/17	10/30/17	11/30/17	12/30/17	1/31/18	2/28/18	3/31/18
PDC	1,368	2,374	2,599	2,669	2,805	2,534	2,160
DVC	435	698	838	834	497	423	390
CSC	210	321	290	279	267	238	191
FOC West	379	509	425	368	314	206	124
FOC East	187	408	537	553	541	521	530
Total Staff	2,579	4,310	4,689	4,703	4,424	3,922	3,395

Source: Information Provided by SBA Office of Disaster Assistance Personnel.

Language Translation Services

When Hurricane Maria made landfall in Puerto Rico, it created an unprecedented demand for Spanish translation services. Although SBA hired staff, it needed additional Spanish translation services to assist these staff in communicating with disaster survivors regarding their disaster loan applications. ODA managers and staff estimated that some disaster survivors waited over 45 minutes for an interpreter or experienced dropped calls.

SBA regularly used language translation services to assist non-English-speaking disaster survivors and had contracted with one translation-company for several years prior to September 2017. However, SBA changed contractors, and a new contract for this service was issued on September 5, 2017. The contractor began translation service for disaster survivors on September 29, 2017—9 days after Hurricane Maria struck the U.S. Virgin Islands and Puerto Rico.

The new translation service contractor could not handle the call volume from disaster survivors, which contributed to the long wait times and dropped calls. In an attempt to address these problems, SBA terminated the contract at the end of October 2017, and on October 26, 2017, it contracted with the previous language interpretation contractor. This contract ended on February 14, 2018, and SBA created a blanket purchase agreement using three different vendors, effective February 15, 2018.

SBA's disaster program costs for the translation services were \$10,000 annually for 4 years prior to the 2017 hurricane season. Its translation costs increased to approximately \$3.6 million for the period from October 1, 2017, through March 31, 2018, as a result of the 2017 hurricane season. We noted that the translation contracts didn't have a performance standard for wait time to speak to a translator.

SBA officials stated that due to contractors' system limitations, they did not have the ability to monitor wait times to speak with a translator for the terminated contract. They further stated the contracting officer's representative could monitor performance real time for the current contractor.

However, they were unable to provide performance reports with evidence of the vendor's performance. Based on wait times to speak with a translator following Hurricane Maria, we believe SBA should include a performance standard in its blanket purchase agreement statement of work for wait times. SBA management stated they are currently exploring options to implement a performance standard for the translation contacts.

Hurricane Maria Disaster Recovery Centers and Business Recovery Centers

While still assisting disaster survivors in the U.S. Virgin Islands and Puerto Rico as a result of Hurricane Irma, SBA also provided staff for two BRCs and five DRCs in the U.S. Virgin Islands within 33 days after Maria made landfall. In Puerto Rico, SBA established three BRCs within 13 to 26 days after Maria made landfall and provided staff for two DRCs established by FEMA 30 days after Maria made landfall. As of March 30, 2018, SBA staffed a total of 15 recovery centers in the U.S. Virgin Islands and 154 in Puerto Rico.

SBA staff at DRCs and BRCs provided on-site assistance to disaster survivors, and it determined locations and operating schedules for BRCs. Although the BRCs are created specifically to help business owners with recovery, SBA does not turn away homeowners or renters who come to a BRC seeking a disaster assistance loan. SBA's policy is to assist any eligible disaster survivor who enters a BRC or DRC. SBA staff can make loan denials on the spot based on income tests and family size. This allows SBA to immediately refer disaster survivors back to FEMA for possible additional grant assistance, if they did not qualify for an SBA loan.

The services offered at the DRCs and BRCs included the following:

- assistance with questions and completion of disaster loan applications using SBA's Disaster Loan Assistance Portal
- information about rebuilding and repairing property
- access to other Federal, state, and local government program assistance
- community outreach to disaster survivors
- performing loan closings

We conducted site inspections at four of the DRCs and BRCs located in the U.S. Virgin Islands and Puerto Rico (see Appendix II). We observed that disaster loan applicants were experiencing minimal wait times and some locations did not have any customers during our visit. The DRCs and BRCs were staffed with a minimum of three employees, and the number of employees was based on input from the team leaders at the DRCs and BRCs, guidance from the Officer in Charge at the Joint Field Office, and physical accommodations at each center.

Hurricane Maria Disaster Loss Damage Verification

SBA performs desktop loss verifications for all home and business loans determined to be for residential structures (single family, one to four rentals) or for a home-based operation with minor sustained real or business content losses. Additionally, approved disaster loans over \$25,000 also require an on-site inspection prior to any disbursement of funds exceeding \$25,000. On August 4, 2017, there were 91 loss verifiers. By the end of December, SBA had hired 743 staff in response to all disasters. As of September 15, 2017, there was a beginning balance of 4,491 loss verifications to be processed for all disasters. Between September 15, 2017, and March 30, 2018, SBA received an additional 318,501 loss verifications to process, for a total of 322,992. SBA processed 321,870, leaving 1,122 remaining to be processed for all disasters—783 were for Hurricane Maria. The DVC

had six strategic goals for disaster damage verifications. Table 2 shows the loss verification strategic goals for FY 2017.

**Table 2: SBA Damage Verification Center Strategic Goals
September 30, 2017–March 30, 2018**

Goal Number	Description	Strategic Goal	Hurricane Maria Actual Result	Met Goal
1	Business Overall File Aging	10 days	12 days	No
2	Home Desktop File Aging	8 days	6 days	Yes
3	Home Desktop Loss Verification Completed Percent Less Than 8 Days	75 percent	83 percent	Yes
4	Loss Verification File Aging	7 days	5 days	Yes
5	Loss Verification Post Desktop Completed Percent Less Than 7 Days	75 percent	74 percent	No
6	Initial Disaster Presence	95 percent	100 percent	Yes

Source: Fiscal Year 2018 Strategic Goals Reports.

Based on the data we reviewed, SBA’s DVC met four of the six goals for Hurricane Maria; however, SBA encountered difficulty performing on-site loss verifications in the hurricane’s immediate aftermath. According to SBA management, the infrastructure destruction and language barriers in Puerto Rico contributed to SBA not meeting its goals for Business Overall File Aging and Loss Verification Post Desktop Completed Percent Less Than 7 days. SBA officials also emphasized that the completed verification activity for Maria was about a third of all the completed verification activities for September 30–March 30, 2017.⁴

Loan Application Volume and Processing

By the end of March 2018, SBA received 90,477 disaster loan applications for Hurricane Maria, of which they processed 86,598, or 96 percent, leaving 3,879, or 4 percent, remaining to be processed. SBA approved 40,246 loans, totaling over \$1.5 billion. Table 3 shows the applications processed and approved for Hurricane Maria.

**Table 3: Hurricane Maria Loan Application Volume
September 30, 2017–March 30, 2018**

As of Date	Total Apps Received	Total Apps Processed	Total Apps Approved	Dollar Value of Loans Approved
09/30/2017	44	11	0	\$0
10/30/2017	4,215	1,294	204	\$13,008,600
11/30/2017	33,424	9,348	926	\$55,011,900
12/30/2017	55,931	32,879	9,748	\$420,814,600
01/30/2018	70,182	59,742	23,399	\$937,798,100
02/28/2018	79,575	74,390	33,185	\$1,302,665,300
03/30/2018	90,477	86,598	40,246	\$1,546,702,300

Source: Disaster Credit Management System Disaster Activity Reports.

⁴ As of March 30, 2018, SBA completed a total of 232,724 verifications, which included 76,026 for Hurricane Harvey, 78,364 for Hurricane Irma, and 78,334 for Hurricane Maria.

SBA considers an average fiscal year of disaster activity to include processing 52,000 loan applications. Due to the unprecedented magnitude of Hurricanes Harvey, Irma, and Maria, SBA received loan applications that far exceeded normal processing capacity. By the end of March 2018, SBA had processed 312,874 loan applications for Hurricanes Harvey, Irma, and Maria combined and had approved 122,308 loans, totaling approximately \$6.5 billion. Table 4 shows the applications processed and approved for all three hurricanes.

**Table 4: Hurricanes Harvey, Irma, and Maria Loan Application Volume
September 30, 2017–March 30, 2018**

As of Date	Combined Total Apps Processed	Combined Total Apps Approved	Combined Dollar Value of Loans Approved
09/30/2017	47,303	7,968	\$669,140,200
10/30/2017	115,422	27,665	\$2,018,355,400
11/30/2017	188,900	57,933	\$3,572,288,700
12/30/2017	242,528	80,868	\$4,675,535,700
01/30/2018	279,861	99,830	\$5,526,295,400
02/28/2018	298,114	113,425	\$6,125,840,500
03/30/2018	312,874	122,308	\$6,491,243,000

Source: Disaster Credit Management System Disaster Activity Reports.

Loan Processing Timeliness

We computed SBA’s processing times for Hurricane Maria disaster loan applications with a loan approval, denial, or withdrawal as of March 30, 2018. We calculated that SBA’s average processing time for loans that were approved, denied, or withdrawn was approximately 30 days when the auto-declines and pre-loss verification declines were not included.⁵ When these computer-generated declines were included, the overall average processing time was approximately 27 days. Our computation reflected all 86,598 applications processed.⁶ Despite the unprecedented volume of disaster loan applications and challenges regarding Spanish translation services, SBA met its 45-day processing goal for the applications that were processed.⁷ Table 5 contains the loan processing times for Hurricane Maria loan applications.

⁵ The Disaster Credit Management System makes the decision based on business rules for initial auto-decline and pre-loss verification review, which allows disaster survivors to access other sources of disaster assistance such as FEMA grants.

⁶ ODA’s activity report showed that the overall processing time was about 21 days for the same period. The activity report was based on 97,015 actions associated with the applications processed, whereas OIG’s computation reflected processing time per application, not per action. The actions included in SBA’s report included computer-generated declines and multiple withdrawals and reacceptances.

⁷ SBA uses a tiered level of goals for processing loan applications. The number of applications exceeded 250,000 for the three hurricanes by March 30, 2018. For Hurricane Maria, the goal was to process loan applications within 45 days. As other disasters occur, the goal for processing additional loan applications could increase.

**Table 5: Hurricane Maria Loan Processing Times
As of March 30, 2018**

		All	Home	Business	EIDL*	Non Profit
Total Number of Applications Processed		86,598	78,266	6,908	1,244	180
Loan Processing With Auto- and Pre-LV Decline**	Average Processing Days	27	25	40	40	41
Loan Processing Without Auto- and Pre-LV Decline	Average Processing Days	30	29	44	44	41

Sources: SBA provided a data extract from SBA's Disaster Credit Management System. OIG calculated processing times on data extract.

*economic injury disaster loan

**pre-LV = pre-loss verification

Loan Disbursements

As of March 30, 2018, SBA approved 40,246 Hurricane Maria loan applications totaling \$1,546,702,300. Of the 40,246 approved, 17,491 loans totaling \$338,526,600, or about 21.9 percent, were disbursed. Table 6 shows the applications approved and disbursed for Hurricane Maria.

**Table 6: Hurricane Maria Loan Approval and Disbursement
September 30, 2017–March 30, 2018**

As of Date	Total Apps Approved	Total Apps Disbursed	Total Amount Approved	Total Amount Disbursed	Amount Remaining to Be Disbursed	Percentage of Amount Disbursed
09/30/2017	0	0	\$0	\$0	\$0	0.0%
10/30/2017	204	1	\$13,008,600	\$20,400	\$12,988,200	0.2%
11/30/2017	926	128	\$55,011,900	\$2,547,400	\$52,464,500	4.6%
12/30/2017	9,748	1,011	\$420,814,600	\$18,513,500	\$402,301,100	4.4%
01/30/2018	23,399	4,473	\$937,798,100	\$81,914,300	\$855,883,800	8.7%
02/28/2018	33,185	10,543	\$1,302,665,300	\$199,880,300	\$1,102,785,000	15.3%
03/30/2018	40,246	17,491	\$1,546,702,300	\$338,526,600	\$1,208,175,700	21.9%

Source: Disaster Credit Management System Disaster Activity Reports.

Appendix I: Objective, Scope, and Methodology

This report presents the results of our inspection of SBA's initial disaster assistance response to Hurricane Maria. Our objective was to assess SBA's initial disaster assistance response to Hurricane Maria, including staffing adequacy, loan application volume, and timeliness of disaster loan approvals.

To answer our objective, we interviewed ODA officials in Herndon, Virginia, at Headquarters, and at the PDC in Fort Worth, Texas. We obtained data on the disaster loan application processing and staffing. Also, we obtained information from officials at FOC East in Atlanta, Georgia, and the Joint Field Offices in St. Croix, U.S. Virgin Islands, and San Juan, Puerto Rico. Further, we reviewed applicable laws, regulations, and guidance governing the disaster loans. We also reviewed SBA's standard operating procedures, including SOP 50 30 8, the SBA Disaster Preparedness and Recovery Plan, and other SBA operating and training guidance.

We conducted on-site visits to four DRCs and BRCs and SBA administrative offices in the U.S. Virgin Islands and Puerto Rico to gain an understanding of policies and procedures for working with disaster survivors, and to determine SBA's initial disaster assistance to Hurricane Maria survivors. We analyzed computer-generated data from SBA's Disaster Credit Management System to assess loan application processing times. We assessed the reliability of the data by performing limited testing and relied on prior audit work. We believe the data is sufficiently reliable to support the report conclusions. We also reviewed the disaster loan process in the U.S. Virgin Islands and Puerto Rico to determine differences from standard processing procedures.

We conducted this performance-based inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation. Those standards require that we plan and perform the inspection to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions and observations based on our inspection objective. We believe the evidence obtained provided a reasonable basis for our conclusions and observations based on our inspection objective.

Appendix II: SBA Disaster and Business Recovery Centers

DRC - Rotary Club West, Frederiksted, St. Croix, U.S. Virgin Islands



BRC - Centro De Detallistas, San Juan, Puerto Rico



DRCs, BRCs, and SBA Administrative Offices Visited

- Department of State Building, Old San Juan, Puerto Rico
- Sion Farm Shopping Center, Christiansted, St. Croix, U.S. Virgin Islands
- Rotary Club West, Frederiksted, St. Croix, U.S. Virgin Islands
- Centro De Detallistas de Puerto Rico, San Juan, Puerto Rico
- SBA's Administrative Staging & Training Center, San Juan, Puerto Rico
- Sunny Isle Shopping, Center Christiansted, St. Croix, U.S. Virgin Islands
- GFR Media Building, Guaynabo, Puerto Rico