Agency Priority Goal Action Plan

Reduce Loan Processing Time for Disaster Survivors

Goal Leaders:

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Fiscal Year 2019, Quarter 2

Overview

Goal Statement

- o Increase the speed of loan application processing for survivors recovering from disasters. By September 30, 2019, increase the average number of loan applications processed from three to six applications per loan specialist per day

Challenge

- o As the volume of disaster loan application activity increases, due to large scale disasters, the SBA has been challenged by a need to increase staff to ensure that the Agency can achieve its mission to provide timely financial assistance to disaster survivors

- o As more large-scale disasters impact the United States, the SBA must be ready to respond with the resources to process more effectively and efficiently

Opportunity

- o The SBA will achieve efficiency and cost savings as a result of increasing the average number of loans processed per loan specialist per day and increase the bandwidth to respond to periods of high disaster loan activity.

Leadership

- Office of Disaster Assistance
    - Associate Administrator/Deputy Associate Administrator
    - Office of Program Policy and Evaluation (Director)
    - DCMS Operation Center (loan application processors)

Goal Structure & Strategies

o   Modernize Disaster Credit Management System (DCMS) to DCMS 2.0, to increase SBA's productivity and process a greater number of disaster loan applications more effectively and efficiently

o   Test and assess system improvements

o   Train disaster loan processing staff on system improvements

External Factors and Mitigation Strategies

o   Average daily loan productivity could fall short of the Priority Goal due to insufficient loan activity, while still outperforming the performance indicator for percent of disaster loans processed within the standard number of days.

Key Milestones

Milestone Summary				
Key Milestone	**Milestone Due Date**	**Milestone Status**	**Owner**	**Comments**
FY19 Q1: Complete DCMS 2.0 releases monthly	12/31/18	Completed	ODA	
FY19 Q2: Complete DCMS 2.0 releases monthly	3/31/19	Completed	ODA	LV 2.0 (Loss Verification) application launched
FY19 Q3: Complete DCMS 2.0 releases monthly	6/30/19		ODA	
FY19 Q4: Complete DCMS 2.0 releases monthly	9/31/19		ODA	

Summary of Progress – FY 2019 Q2

- The average number of loans processed per loan specialist is 4.0 as of FY 2019 Q2, which is 64% of the FY 2019 target. (see charts in following slides) This average stems from the decreased volume of disaster activity in quarter 2, which is not a sufficient volume of loan files to adequately test the priority goal in DCMS 2.0.

- To accurately test the priority goal, SBA focused on the first 37 days of the 2018 California Wildfires declaration processed in DCMS 2.0, which resulted in an average of 6 loans per loan specialist per day achieving the FY 2019 target.

- The DCMS 2.0 Continuous Improvement project Phase II focuses on filling functional gaps in the system and improving its overall performance and quality to ensure readiness for disaster season. The LV 2.0 (Loss Verification) application launched in February, eliminating a separately maintained system. (see key milestones)

- The SBA approved 35,550 loans as of Q2 FY 2019, representing a significant decrease from the number of disaster application (92,603) for FY 2018, as a result of hurricanes Harvey, Irma, and Maria (HIM).

- In FY 2019 YTD, the SBA processed 68,557 home and 11,372 business applications (totaling 79,929) and worked on 134 active disaster assistance declarations.

- The SBA averaged 8 days to process disaster loans, which represents a 58% decrease from previous year (19 days).

- The cumulative dollar of loans approved YTD FY19 ($1.85 million) represents a 69% decrease from FY 2018 as a result of hurricanes HIM.
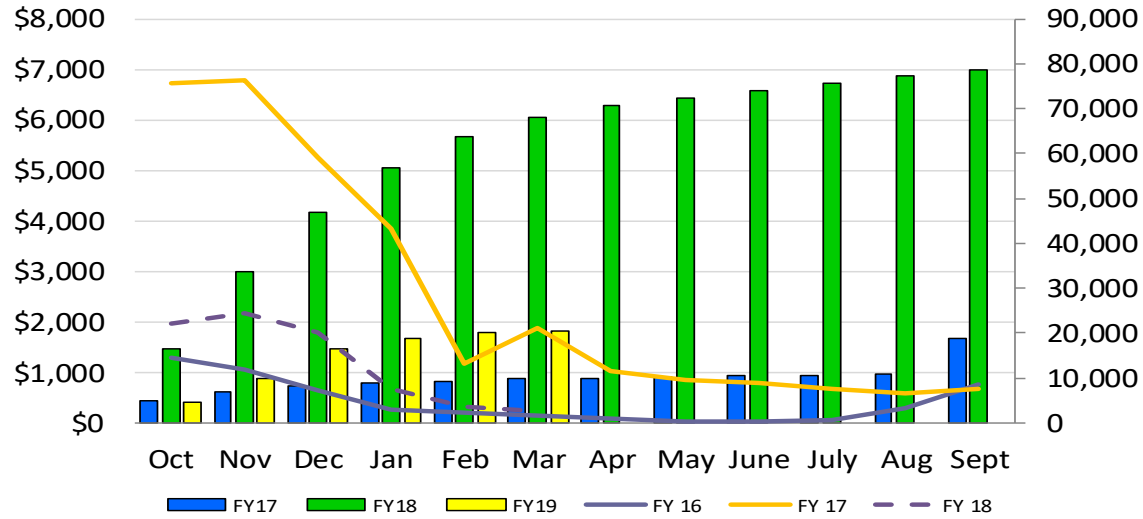
Key Indicators

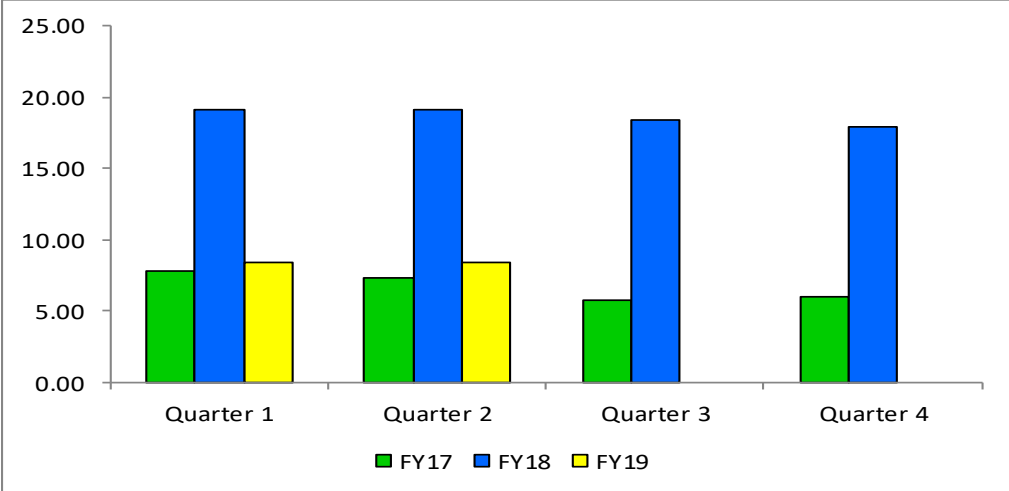**Number of applications processed per loan specialist per day**
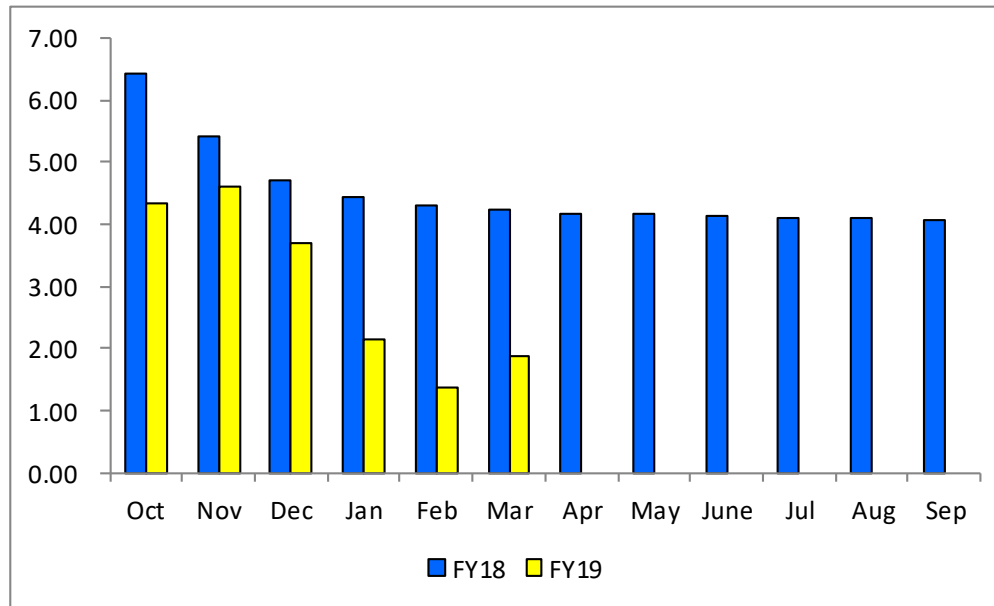
Key Indicators

Cumulative dollar (millions) of loans and monthly number of applications

Legend: FY17, FY18, FY19, FY 16, FY 17, FY 18

Average number of days to process disaster loan applications

Legend: FY17, FY18, FY19

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Data Accuracy and Reliability

- The SBA will develop a tracking mechanism in DCMS 2.0, and in the interim will also use a self-reporting tracking mechanism to establish a baseline for the fiscal year
- The DCMS 2.0 modernization project launched May 31, 2018, which increased overall loan officer efficiency

Additional Information

Contributing Programs

- SBA Office of Disaster Assistance (ODA)

- Federal Emergency Management Agency (FEMA)

- Internal Revenue Service (IRS)

Stakeholder / Congressional Consultations

The SBA met with authorizing and appropriating committees in Congress to review its FY 2018-2019 Agency Priority Goals. It conducted outreach and incorporated comments from lender trade associations.