


GAO
 Accountability-Integrity-Reliability
Highlights

Highlights of [GAO-03-385](#), a report to the Chairman, Committee on Small Business, House of Representatives

Why GAO Did This Study

The September 11 terrorist attacks and subsequent federal action had a substantial impact on businesses in both the declared disaster areas and around the nation. In the aftermath of the attacks, the Congress, among other actions, appropriated emergency supplemental funds to the Small Business Administration (SBA) to aid September 11 victims. Given the uniqueness of this disaster and changes in the program, GAO analyzed SBA's lending to September 11 victims, as well as the loan program's performance goals and measures.

What GAO Recommends

SBA should

- revise the performance measures for disaster lending,
- expand its current research to improve its measures and evaluate program impact, and
- revise the disaster section of the performance plan.

SBA generally agreed with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-03-385.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Davi M. D'Agostino at (202) 512-8678 or dagostinod@gao.gov.

SMALL BUSINESS ADMINISTRATION

Response to September 11 Victims and Performance Measures for Disaster Lending

What GAO Found

As part of its response to the September 11 terrorist attacks, SBA modified several aspects of its Disaster Loan Program and its processes. For example, SBA increased the maximum loan amounts available and decreased the amount of documentation required for certain loans. By the end of fiscal year 2002, approximately \$1 billion in loans had been approved for victims of the attacks. On average, SBA processed business loans to September 11 victims in an average 13 days compared with 16 days for business loans to other disaster victims in fiscal year 2001.

Like other federal programs, SBA has developed a multiyear strategic goal for the Disaster Loan Program—helping families and businesses recover from disasters—and has developed annual goals and measures to assess its yearly progress toward attaining their strategic goals. GAO reviewed the measures and found that they have numerous limitations. For instance, these measures do not capture the notable progress the program has made in improving its loan processing—progress that ultimately affects disaster loan applicants and borrowers. The inadequacies of SBA's measures are especially evident when considered in light of the agency's performance in responding to the September 11 terrorist attacks. GAO attributes some of these limitations to the nature of the measures SBA uses to describe the performance of the Disaster Loan Program, while others can be attributed to the description of the program's performance. Without better performance measures and plans, the Congress does not have an accurate description of SBA's annual progress toward helping Americans recover from disasters.



Sources: SBA and FEMA.

SBA personnel meet with individuals interested in loans that help homeowners and small businesses recover from disasters.