

Congress of the United States  
U.S. House of Representatives  
Committee on Small Business  
2561 Rayburn House Office Building  
Washington, DC 20515-6515

June 15, 2018

The Honorable Gene L. Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G St., NW  
Washington, DC 20548

Dear Mr. Dodaro:

When natural disasters hit the United States of America, the federal government deploys numerous agencies to perform response and recovery functions. With each agency having a concentrated focus, the Small Business Administration (SBA) leads long-term recovery efforts with its Disaster Assistance Program. Through the program, low-interest and long-term direct loans are offered to businesses and homeowners.

From August 25, 2017 through September 20, 2017, three storms made landfall in the nation that caused destruction and devastation. Hurricanes Harvey, Irma, and Maria produced one of the most damaging storm seasons on record and will have a lasting effect on all areas that were impacted.

As Chairman and Ranking Member of the Committee on Small Business, we believe the disaster response by the SBA is of utmost importance. While the agency has recorded improvements since Hurricane Katrina in 2005, the 2017 storm season has proven to be challenging. In order to fully understand the effectiveness and efficiency of SBA's 2017 response to the disasters named above, we are hereby requesting a Government Accountability Office evaluation that will provide information that can be used to inform Congress.

In your evaluation, we request that you examine SBA's overall performance for each disaster, as well as address the following:

1. As technology continues to transform many functions, please evaluate how SBA utilized online resources when interacting and helping victims. In your report, please address the following:
  - a. How were applications accepted, credits checked, losses verified, reviews performed, and disbursements made?
  - b. If an area lost electricity due to the storms, how did SBA handle recovery efforts?

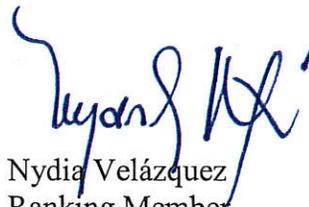
2. Communication before, during, and immediately after a disaster is critical to victims. In your report, please evaluate the following:
  - a. How did SBA provide resource information to victims, including loan terms?
  - b. How did SBA utilize local small business development centers as a way to communicate with victims on the ground?
3. How does SBA's response to the above disasters compare to SBA's efforts during Hurricane Katrina in 2005 and Superstorm Sandy in 2012? Please provide a comparison for the following factors:
  - a. Disaster loan approval rates;
  - b. Processing time for approvals and disbursements of dollars;
  - c. Loan application backlog statistics;
  - d. Staff deployment levels; and
  - e. Number of recovery centers established.
4. Please evaluate the extent to which SBA's response to the major disasters aligned with its Disaster Recovery Plan.
5. On or about October 16, 2017, SBA created the Express Bridge Loan Pilot Program. SBA's stated intention of the pilot program is to supplement its existing disaster loan services. Please analyze how this pilot program was implemented and utilized by victims.<sup>1</sup>

Please include any other matters you may find relevant as part of your evaluation. Additionally, we ask that GAO provide periodic updates and briefings to our staff as new information is gathered. If you have any questions regarding this request, please contact Robert Yavor, Senior Professional Staff to the Committee for the Majority, at (202) 225-5821 or Justin Pelletier, Senior Counsel to the Committee for the Minority, at (202) 225-4038.

Sincerely,



Steve Chabot  
Chairman  
Committee on Small Business



Nydia Velázquez  
Ranking Member  
Committee on Small Business

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<sup>1</sup> Express Bridge Loan Pilot Program, 82 Fed. Reg. 47,958 (Oct. 16, 2017).