

Testimony of Timothy Gribben
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U.S. Small Business Administration
Before the
Committee on Appropriations
Subcommittee on Financial Services and General Government
United States House of Representatives
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On behalf of Administrator Linda McMahon, I want to thank you Chairman Graves, Ranking Member Quigley and distinguished members of the subcommittee for the opportunity to discuss the Small Business Administration's supplemental request that will continue to support our hurricane response activities.

In my role as SBA's Chief Financial Officer and Associate Administrator for Performance Management, I work collaboratively with the Office of Disaster Assistance to achieve the Agency's mission of assisting in the economic recovery of communities after disasters.

I want to thank the committee for its support of our \$450 million funding request in the first supplemental. To date, SBA has approved nearly \$3.5 billion dollars in disaster assistance loans to over 55 thousand homeowners, renters and businesses affected by Hurricanes Harvey, Irma and Maria. To support the recovery efforts, we have hired more than 3,300 people since mid-August and we are currently staffing 79 disaster recovery centers, 2 disaster loan outreach centers, and 26 business recovery centers located in Texas, Florida, Georgia, Puerto Rico, and the Virgin Islands. Of the \$450 million supplemental appropriation, only \$50 million currently remains available for obligations and we are relying on carryover subsidy to support current loan activity.

The figures I just referenced are also represented in daily updates that SBA's office of congressional affairs has been providing to your staff. These updates allow you to track our application and approval volume across all three hurricanes. It also lists our disaster and business recovery centers by region, and our total staffing and lending activity. We hope these updates have been helpful to you and your staff in understanding our broader disaster response efforts.

For supplemental #3, SBA requests \$1.6 billion to support additional lending activity associated with the three hurricanes. Of that amount, SBA projects a need of over \$1 billion for subsidy and \$618 million for disaster administration. The loan subsidy appropriation from supplemental #1 and #3 combined with carryover subsidy funds from prior years would support \$12.2 billion in total lending, which is the forecasted need for the three storms. The request for disaster administrative funds will continue to support the compensation and travel for the surge staff along with increased contract spend to support the staffing surge.

Please note that this supplemental request is in addition to SBA's FY 2018 budget request of \$186 million for disaster administration, which the Agency still needs for all other disaster activity that SBA will support this year, such as wildfires, floods, tornadoes, etc.

To ensure accountability for funds provided in response to disasters, SBA established a new program code to track spending on the three storms separately from spending on other disasters. We are also reassessing the disaster program's risk susceptibility due to the significant increase in funding levels. In support of that effort we are conducting Fraud Awareness training for new and returning hires on how to recognize and report cases of suspected fraud and we work closely with the Office of the Inspector General on the cases we refer to them. SBA is also working on measures that support efforts to reduce improper payments.

On behalf of SBA, I appreciate the opportunity to testify today and share with you information about our request for and use of disaster funding.

I welcome any questions you may have.