

SURVEYING STORMS: A DEEPER DIVE INTO SBA'S DISASTER RESPONSE

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WEDNESDAY, SEPTEMBER 5, 2018

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,

Washington, DC.

The Committee met, pursuant to call, at 11:00 a.m., in Room 2360, Rayburn House Office Building. Hon. Steve Chabot [chairman of the Committee] presiding.

Present: Representatives Chabot, Kelly, Blum, González-Colón, Fitzpatrick, Curtis, Velázquez, Evans, Clarke, Chu, Adams, Espaillat, and Schneider.

Chairman CHABOT. The Committee will come to order.

As you can see, there is no problem too big or too small that this Committee cannot deal with in a hurricane or anything else. So thank you all for being here.

On April 5th last year, soon after being confirmed, Administrator McMahon provided testimony to this Committee. At that hearing, the Administrator said SBA's Disaster Relief Program is "paramount".

Approximately 5 months after she testified at that hearing, Hurricane Harvey made landfall in Texas. A few days later Hurricane Irma hit Florida. And again, a few days later, Hurricane Maria devastated Puerto Rico and the U.S. Virgin Islands.

The 2017 storm season, by all accounts, was historic. The nation was responding to three devastating hurricanes all at the same time. As we know, SBA plays a large role in the long-term recovery needs for the United States. Its Disaster Loan Program, which provides fixed-term and low-interest direct loans to victims, is vital for businesses and homeowners as they begin to replace, repair, and rebuild.

Given that we are roughly a year out from those massive and damaging storms making landfall, it is imperative that we spend time reviewing the SBA's response efforts. Going back many years, Hurricane Katrina and Hurricane Sandy proved extremely challenging for SBA at that time.

We are here today to gain a better understanding of whether the changes made over the years at the SBA have made improvements in their disaster response. I look forward to hearing more about the outreach SBA made during the 2017 storm season to victims on the ground after these disasters. Additionally, I am interested in hearing how efficiently and quickly the SBA was able process loans to those impacted by the storms. And finally, I hope we will hear more about what SBA learned from the 2017 storm season and how

they are preparing for future disasters, including Tropical Storm Gordon that is hitting the Gulf Coast and Mississippi as we speak.

As rebuilding efforts are ongoing and continue even today, it is important we evaluate the 2017 response. Victims of storms count on the SBA and their response during their darkest days. I agree with Administrator McMahon, this program is paramount.

I would now like to yield to the Ranking Member for her opening remarks.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman.

A little less than a year ago, Hurricane Maria made landfall in my hometown of Yabucoa, Puerto Rico. In the following days, Puerto Rico and the U.S. Virgin Islands suffered historic devastation. Sustained winds exceeding 150 miles per hour, ravaged bridges, roads, and seriously damaged more than 472,000 homes. Physical damage is estimated to be over \$90 billion just for Puerto Rico.

The entire Commonwealth, all 3.4 million American citizens lost power. Thousands of businesses and hundreds of thousands of residents would not regain electricity for 9 months, marking the longest blackout in American history. It will probably remain unknown the exact number of Puerto Ricans who lost their lives as a result of Hurricane Maria.

Just last week, the Government of Puerto Rico finally acknowledged that Maria actually killed nearly 3,000 Puerto Ricans after 9 months of insisting that the official death count was 64. This would make Maria among the deadliest hurricanes to strike the U.S.

FEMA's own After-Action Report acknowledged that the administration deployed resources that were inadequate in terms of the response. And while President Trump may believe his response to Maria was fantastic, I know the people of Puerto Rico viscerally disagree.

While Maria was historic in scope, 2017 was a project year for natural disasters throughout our nation. Harvey devastated Southeastern Texas and caused an estimated \$125 billion in damage. Irma, on the other hand, was one of the strongest hurricanes in recorded history. At the same time out west, California experienced the most destructive wildfire season on record.

While it is certainly the subject of much debate, I believe that as our planet continues to warm, the intensity and frequency of natural disasters like these will increase. No matter the scope or the cost of a disaster, the first weeks are critical for small businesses. FEMA estimates that between 40 and 60 percent of businesses impacted by natural disasters fail to fully recover.

Recognizing this need, Congress created the SBA low-interest Disaster Loan Program to serve as a lifeline to aid both businesses and homeowners. As such, it is critical that SBA process and disburse disaster loans quickly. I must acknowledge that responding to three major hurricanes in the span of just one month presents significant challenges.

However, the three OIG reports evaluating SBA's response to each of the storms highlight ways SBA's response fell short. OIG identified several reasons for SBA's disaster response shortcomings. These included failing to quickly staff-up; underutilizing staffing management tools; not including performance standards in

purchase agreements; and underestimating the extent to which Spanish language translation services would be needed to help hurricane victims in Puerto Rico.

Given the shock, all disaster agencies failed during the 2017 hurricane season. It is imperative that they all, including SBA, learn hard lessons from their shortcomings. SBA must work now to improve and optimize their system and procedures before the next Maria strikes. Should this require further legislative action, I am confident that this is an area where we can work together to ensure these programs operate efficiently and effectively, and that entrepreneurs and homeowners harmed by disaster receive the assistance they need.

I want to thank the witness for his participation, and I yield back, Mr. Chairman.

Chairman CHABOT. Thank you very much. The gentlelady yields back.

And the chair would like to recognize and thank both the Ranking Member, Ms. Velázquez, as well as Ms. González-Colón for their leadership and their hard work and their dedication in assisting the people of Puerto Rico through the devastation that they suffered as a result of Hurricane Maria.

And I would now like to recognize Ms. González-Colón for 2 minutes for an opening statement.

Ms. GONZALEZ-COLON. Thank you, Mr. Chairman.

First of all, thank you for having this hearing and having SBA here.

You all know about the landfall of Hurricane Maria, but the magnitude of the devastation of this hurricane includes the total collapse of the electrical system on the island, the total collapse of the telecoms on the island, and even 70 percent of the drinking water treatment and distribution system even failed. Ninety-one percent of the cellular towers were lost, schools remained closed for about a month, and more than half a million housing units suffered major damages.

Even the Small Business Administration recognized that they received from FEMA more than 468,000 referrals for home loans and 77,000 for business loans. Of them, when approved, \$1.6 billion for the home loan and \$182 million for the business loan. We also know that thanks to the communities, our fellow Americans in the continental U.S. and, of course, the intervention of the Federal Government, without that kind of help we will never receive the water, the food, and the medical assistance for our communities, especially those in the center part of the island.

We are still struggling for the complete recovery of the island. It has been identified by the fiscal, but more than \$139 billion are going to be needed for the reconstruction of the island. Of those, just \$45 billion have been allocated by the House and the Senate and the President, so we still have a long path to that recovery. And as the sole representative for the District of Puerto Rico here, I want to thank the Small Business Committee and all the members and the Ranking Member for allowing us to receive those allocation of funds that continues public hearings and oversight we are doing for a lot of those agencies. Without that kind of help, we do

not have two senators. I cannot even vote on the floor. So you became my tools to help the island of Puerto Rico.

So thank you, and with that I yield back. And I welcome the remarks of Mr. Rivera.

Chairman CHABOT. Thank you very much. The gentlelady yields back.

And if other members have opening statements, I ask they be submitted for the record.

And I would like to take just a moment to explain our timing lights, Mr. Rivera, although you have testified before the Committee before so you are familiar with them. The green light will be on for 4 minutes. The yellow light lets you know you have a minute to wrap up, and then the red light will come on. And I request that you stay within those, but if you go over a little bit we will understand.

And I would now like to introduce our witness. Mr. James Rivera is the associate administrator for the Office of Disaster Assistance at the Small Business Administration (SBA). In this capacity, Mr. Rivera directs the Disaster Loan Program. He began his SBA career on the ground in Texas in 1989 serving as a disaster loan specialist. Mr. Rivera then transitioned to the Washington office for the SBA in 1994. Over his nearly 30-year SBA career there, he has also served as the associate administrator for the Office of Financial Assistance, and prior to his public service, Mr. Rivera was a commercial loan officer in the private sector. And you are an expert on the Disaster Loan Program, Mr. Rivera, and we are very anxious to hear what you have to say and answer our questions.

And we welcome you back to the Committee, and you are recognized for 5 minutes.

**STATEMENT OF JAMES RIVERA, ASSOCIATE ADMINISTRATOR,
OFFICE OF DISASTER ASSISTANCE, U.S. SMALL BUSINESS
ADMINISTRATION**

Mr. RIVERA. Good morning, Chairman Chabot, Ranking Member Velázquez, and members of the Committee. I appreciate the opportunity to testify about SBA's Disaster Assistance response to the 2017 hurricanes, and also to share the outlook for the 2018 hurricanes.

One year ago, the agency was in the early stages of responding to Hurricane Harvey. Little did we know that we were about to experience Hurricanes Irma and Maria and embark on a much broader agency effort.

When I look back on last year, I am incredibly proud of the work done by our SBA staff. We went from a core staff of around 800 employees to over 5,000 at the height of our hurricane response, accomplished in the span of 90 days. To date, we have received over 1.2 million calls for assistance from disaster survivors. We received over 339,000 applications, processed on average in 17 days. We approved over 140,000 loans to homeowners and businesses. For all three hurricanes combined, these loan approvals total over \$7.5 billion. This marks the second largest disaster event in SBA history.

At the same time, the agency experienced a very high volume of other disasters. In fiscal year 2017, SBA dealt with 23 presidentially declared disasters. We also administered 53 agency dec-

larations. We would not be able to sustain this level of activity were it not for the oncoming support of the Committee. We want to thank you for the key initiative you sponsored as part of the RISE Act. Among those provisions were important measures for disaster survivors, such as increasing the unsecured threshold from \$14,000 to \$25,000 for the amount of money a disaster survivor can receive in their initial loan disbursement. This provision unfortunately sunsets in November, and we look forward to working with the Committee on a potential renewal.

Other measures, like mitigation assistance and the creation of a Disaster Loan Assistance Portal have had very significant impact as well. The portal has provided disaster survivors with quick and easy access to filing requirements, their loan application status, and has enabled document uploads and electronic signature. This advancement has allowed us to more effectively and efficiently process applications, cutting in half the time it takes the agency to approve loans.

In less than 45 days, SBA has approved over \$1 billion for Hurricanes Harvey, Irma and Maria combined. This record time compares to past major disaster events such as Hurricanes Katrina, Rita and Wilma; Superstorm Sandy; and the Northridge Earthquake in 1994, which all took over 90 days to reach the \$1 billion milestone.

While I have been part of the Disaster Assistance office for over 20 years, I have only had the opportunity to work for Administrator McMahon for the past year. During this time, I have appreciated her direction and how she has challenged SBA to be prepared for large-scale disasters, the magnitude of what we experienced with the 2017 hurricanes. In leading SBA, the administrator has pushed us to test our disaster response models and for our program to be proactive and not reactive.

In the months leading to the 2017 hurricane season, we tested our system along the lines of Hurricane Katrina times three. That foresight played a large role in our agency's preparedness and subsequent response.

At the administrator's direction, we also continue to review and evaluate lessons learned and best practices and apply them to our 2018 disaster response. Recently, we implemented a new Disaster Credit Management System, which will allow us to even further increase our loan processing cycle times. We have also conducted internal after-action reports and evaluated the inspector general inspection reports. These are areas in which we may not have performed as effectively as desired, and we continue to work to address them.

Over the past year, the agency has communicated with the Committee to share data and inform you on the disaster response to the hurricanes. We hope that the information has been of value to the Committee members and staff in understanding our programs and activities, and we continue to communicate with you throughout the 2018 season.

So far this year, the agency is dealing with 10 presidential disaster declarations and 33 agency declarations. We are providing disaster assistance across 22 states in response to severe storms,

tornados, wildfires, floods, and even lava flows. We have also just approved an agency declaration for toxic algae bloom and red tide.

With Hurricane Elaine, and as Tropical Storm Gordon reaches the Gulf Coast states, we stand ready on these and other potential disasters that might impact states across the country.

Mr. Chairman and Committee members, thank you again for the opportunity to testify, and I look forward to your questions.

Chairman CHABOT. Thank you very much.

And I will begin with myself for 5 minutes. And I will begin with a general question.

By all accounts, the 2017 storm season was monumental. Broadly speaking, how do you think the SBA responded to Hurricanes Harvey, Irma, and Maria?

Mr. RIVERA. As you mentioned, I have been with the Small Business Administration for 30 years. We have never been faster. We have never provided assistance quicker. So generally, you know, at the 50,000 foot level, we were as quick as we possibly could. We did the best possible job we could. And there is room for improvement. But at the same time, I am proud of what we have been able to do overall.

We have cut times from 70 days in Katrina to 40 days in Sandy to 25 days for businesses in Harvey, Irma, and Maria. And on the home side it is much quicker.

Chairman CHABOT. Thank you very much.

And as you know, significant reforms were instituted at the SBA after Hurricane Katrina in 2005 and Hurricane Sandy in 2012. You mentioned the time, that we are doing it more quickly than we did before. Are there any other reforms that helped that you could specifically point out to and say, yeah, we changed this and this made a difference to these.

Mr. RIVERA. So two thoughts come to mind immediately. You gave us the ability, or actually, required us to go out and get an electronic disaster portal. So in the past, we would get stressed at the call center because a lot of people would call the call center for status, where now you can go online through the Disaster Loan Application Portal. Ninety-seven percent of our applications come through the electronic loan application portal. You can find out your status. You can do an electronic upload for your tax transcript request. There is just a host of opportunities. We give you the status of where you are at as far as if you are in the approval que, and then disbursement que, what you need to do. You can upload, download documents, so forth and so on.

The one that I am hoping that we can work together on is the sunset of the RISE. As a result of the RISE Act, the unsecured threshold of \$14,000 to \$25,000, if it sunsets—it does sunset in November of this year and the unsecured threshold would go back to \$14,000. So we would prefer to be consistent and stay at that \$25,000 level because that initial disbursement, as all of you have mentioned before, is very important for that initial cash infusion for the disaster borrower.

Chairman CHABOT. Thank you very much.

And although the response efforts continue, what did you learn from 2017, this past year, the storm season, and how is the SBA preparing for the next big one? And obviously, we have something

occurring currently. Hopefully, it is not going to be to the magnitude of the ones that we are discussing here this morning, but what preparations are you looking at down the road to improve?

Mr. RIVERA. So I have to give a lot of credit to Administrator McMahan. I have worked for several Administrators. I have never had an Administrator that actually has challenged me to the level that she has challenged me. In her first couple of months in the agency, we ran a scenario of 100,000 application disaster. It was pretty much cookie-cutter from our perspective. That is within our sweet spot. And she says, well, that is nice, but I want you to look at Katrina times three on your models, and what does that do to the agency? And then she also said, you need to make your jobs simpler by doing, you know, leaning forward and preparing more and stop being so reactive from that perspective. So it is true criticism that I took, you know, head on. We are much more prepared now.

We have still 2,200 employees onboard. We are still in Puerto Rico. We have 350 staff on the ground in 50 locations. But from my perspective, we are much better prepared.

And then we are taking advantage of technology like we have never taken before. We are trying to simplify our processes internally, and on the flip side, making the process for the disaster survivors as simple as possible.

Chairman CHABOT. Okay. Thank you.

And then one final point. I represent Ohio, and Ohioans sometimes spend half the time or more in Ohio and they are retired now and they maybe have some property down in Florida. And I was discussing last weekend or the weekend before with some folk in that circumstance, they were talking about the red tide and what a disaster it has been this year recently. Could you discuss that just a little bit? It is a little bit different from what we were talking here but for them it is clear disaster.

Mr. RIVERA. Absolutely. So we declared two disaster declarations yesterday for Florida. One is for Lake Okeechobee, and it is the toxic algae bloom. It is that green-bluish stuff. There is a strong odor to it and it keeps fishermen away. It keeps tourist industry away. And then along the gulf side on the southern part of Florida is this red tide. So toxic algae bloom is freshwater and red tide is salt water. And what that does is, you know, the tourism industry, the supply side of a restaurant, you know, who supplies the restaurant, so forth and so on. And so we are providing the working capital loan for those businesses that are impacted by that specific event.

Chairman CHABOT. Thank you very much. My time has expired.

The Ranking Member is recognized for 5 minutes.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

As you know, Maria caused an island-wide blackout that took almost a year completely to fix. Do you think that the blackout negatively impacted the ability of Puerto Rican survivors of Maria to apply for SBA disaster loans?

Mr. RIVERA. The blackout did stress our ability to respond from a technology perspective. We did have a lot of—

Ms. VELÁZQUEZ. Yes, for the administration. But in terms of survivors not having access to internet or electricity, my question is, do you have the numbers as far as how many businesses applied for Hurricane Hugo and Georges compared to now where this was an epic, monumental destruction of Puerto Rico?

Mr. RIVERA. I do not have the numbers of Hugo with me but I can get back to you for the record.

Ms. VELÁZQUEZ. So only 10,000 businesses have applied for disaster loans. I found that very, very, very small. You mentioned the RISE Act, legislation that I introduced and was enacted into law. Given those dynamics, I intend to reintroduce similar language and hopefully work with the administration to open up the program so that we provide the ability for survivors, businesses and homeowners, to be able to apply for disaster loans.

Any comments on that?

Mr. RIVERA. We welcome working with you on the RISE Act. I think that is—

Ms. VELÁZQUEZ. So in the last 2 weeks after the deadline expired and we worked with FEMA to extend the deadline, 400 businesses in Puerto Rico applied only in 2 weeks. What does that tell you?

Mr. RIVERA. Well, so, a lot of businesses are usually, they wait to see what kind of insurance recovery they have. They wait to see what resources are available from that perspective. So historically, the businesses do apply later. But as I mentioned earlier, we are still co-located with FEMA, 50 different locations. We have 350 people on the ground and we will be there for the long term.

Ms. VELÁZQUEZ. So as I mentioned to you, the number of applications is low, very low, and then the fact that only in 2 weeks, the last 2 weeks, 400 had applied shows the need for extending the program.

Mr. Rivera, the OIG also found that as of the end of March 2018, only 22 percent of the loans approved for Hurricane Maria victims have been disbursed. That is over 6 months after the storm. Why is it that it is taking this long to disburse these approved loans?

Mr. RIVERA. So that was a snapshot that was done when they did the audit, I am sorry, the inspection back several months ago. We are currently at about 80 percent of the numbers, and about 60 percent of the dollars have been disbursed. So we do not do one disbursement for the full amount. We disburse up to that unsecured threshold, \$25,000, and we follow the building project, like the private sector does. So the IG is factual. At the time they did the snapshot, they were in that process.

Ms. VELÁZQUEZ. And after the end of March, do you have any data?

Mr. RIVERA. I do not have as of the end of March but I can get back to you.

Ms. VELÁZQUEZ. I would like to get that data.

Mr. RIVERA. Okay. Sure.

Ms. VELÁZQUEZ. The OIG reports for Hurricane Harvey and Irma do not contain similar data on loan disbursement; yet this information is critical for evaluating disbursement rates across the hurricanes. What are the disbursement rates for Hurricanes Harvey and Irma, and why was the data not shared with OIG?

Mr. RIVERA. Oh, I believe the data was shared with OIG. I am shocked that they would say that if that is what they are saying. We are very transparent with respect to—

Ms. VELAZQUEZ. Well, what I am saying, it is not in the report.

Mr. RIVERA. Well, I do not write the report.

Ms. VELAZQUEZ. I understand that. So I would like for me and for the Committee to have the ability to assess whether or not the disbursement rates regarding Puerto Rico compare to the disbursement rates for Hurricanes Harvey and Irma.

Mr. RIVERA. Okay. Absolutely.

Ms. VELAZQUEZ. According to the IG, there were serious problems with Spanish translation services that resulted in many disaster survivors having their calls to SBA dropped. In other cases, wait times exceeded 45 minutes, which is simply unacceptable. What did SBA do to keep track of dropped calls?

Mr. RIVERA. So what happened is Harvey hit? There is a pretty big Hispanic population in Texas. Irma hit. There is a pretty big population in Florida. And then Maria hit. And obviously, there is a big Spanish-speaking population in Puerto Rico. So we had one contract at the time. It was small. It had worked for the last 10 years. What we did not realize is that we got stressed based on that. What we have done since then—

Ms. VELAZQUEZ. And you terminated that contract?

Mr. RIVERA. Yes, ma'am.

Ms. VELAZQUEZ. Yeah? What was the reason?

Mr. RIVERA. Performance.

Ms. VELAZQUEZ. Performance?

Mr. RIVERA. Yes, ma'am.

Ms. VELAZQUEZ. So that is what I am saying. You know, it is important that we have a disaster preparedness plan that is comprehensive, that you have a list of potential vendors that provide Spanish translation services.

Mr. RIVERA. Yeah, I agree.

Ms. VELAZQUEZ. Or bilingual services.

Mr. RIVERA. So we have gone from a \$50,000 contract—

Chairman CHABOT. The gentlelady's time has expired but you can go ahead and answer.

Mr. RIVERA. We spent \$2 million on language services, and we have taken 600,000 calls. I mean, so absolutely, it was a stress point for us. I do not disagree with what you are saying from that perspective.

Chairman CHABOT. And the Ranking Member's time has expired.

Ms. VELÁZQUEZ. Thank you.

Chairman CHABOT. And the gentleman from Mississippi,

Mr. Kelly, who is the Chairman of the Subcommittee on Investigations, Oversight, and Regulations, is recognized for 5 minutes.

Mr. KELLY. Thank you, Mr. Chairman.

Mr. Rivera, thank you for being here.

Kind of going back and touching on the last question, I have spent a lot of time in the military in my life and you constantly get lessons learned and refine plans to make sure that you can respond. And also, going from that same strategy thing, you know,

we are prepared to respond to different levels of threats throughout the world in the military.

So prior to this you had never seen the Spanish-speaking requirements that you had in this one? The last 10 years it was fine and all of a sudden you have a new requirement that is there that you were not prepared for. And I totally understand that. And you also did not have this many major disasters in this quick of a time frame as you did in this one.

So what is the SBA prepared to respond to now? Did you change what you are prepare? Can you respond to two simultaneous disasters at the same time, two and a half, 1.5? Have you started planning in that way? And how many are you prepared, the SBA, to respond right now simultaneously or in close proximity.

Mr. RIVERA. That is a great question, and thank you for that question.

So we have a Disaster Preparedness and Response Plan. As I mentioned earlier, the Spanish language line did trip us up. The contract was 10,000. It worked for the last 10 years. We get stressed with the Spanish line. We did a new contract. We have three contracts now. We have segmented out. I mean, we have exercised this a couple of months ago at the national level exercise. We can handle up to X number amount. It just depends based on the funding level. So we did do 360,000 applications in 18 days—17-18 days overall. Our response time was pretty quick. It was the quickest we have ever had. Technology is a big asset for us, and we continue to exercise from that perspective. The administrator flipped it on us. She said Katrina times three, so that is a million two. So that is what our charge is, a million two in 90 days.

Mr. KELLY. You know, I represent the northern part of Mississippi, so I do not have the Mississippi Gulf Coast where hurricanes hit, but I feel a deep obligation to my friends and neighbors and state, people in the south. What organizations does SBA use to get out the good word of what you can provide and what services you can provide? Because there are a lot of other organizations, and a lot of times people are not aware of what products or what services are available. So what other organizations, whether that be FEMA, the National Guard of that State, or any other thing, what resources do you use? What other resources do you use to get out word of what is available?

Mr. RIVERA. So we start with the SBA resources, our Small Business Development Centers, SCORE, Women's Business Centers. We also just recently signed a memorandum of understanding with the Institute for Business and Home Safety (IBHS), who is a big industry player when it comes to disaster assistance. We also work closely with FEMA. Wherever FEMA is at, SBA is at. Obviously, the President gives FEMA the opportunity to be the lead, but we are not far behind from that perspective. And we work with state and local governments. We are reaching out to counties and mayors and trying to cascade as much as we can. On the preparedness side, and that is back to the Administrator's message. Let's talk about preparedness before it happens so we can all understand what we need to do versus being reactive as we have been historically.

Mr. KELLY. You must have been reading my mind. That is kind of in the realm of my next question or suggestion or a combination of both. Mississippi responded well to Katrina, and that was based on our National Guard response and years and years of rehearsals for a hurricane that we hoped and prayed would never happen, but it did happen. And so every year since I have been in for almost 33 years, and every year I can remember being in the Mississippi National Guard, around March or April, non-hurricane season, we do a statewide rehearsal of how we are going to respond to not only hurricanes but to earthquake on the fault line near Memphis and those things, or tornados or other disasters. Does SBA get involved in those rehearsals? Because most states, whether it is wildfires in California, or earthquakes in California, or hurricanes or tornadoes in Mississippi or Oklahoma, do you get involved in the planning process and meet all those key people early in the rehearsal process so that you are more prepared?

Mr. RIVERA. Yes, sir, we do. We participate in all the national level exercises under the national disaster recovery framework. With Department of Homeland Security, FEMA, we are on the recovery side, but we participate on the response and the recovery.

Mr. KELLY. I would just maybe make a suggestion; look at the state level organizations because that is who bears the brunt of those things. And rehearsing with those National Guards and their disaster response, I think you would get a lot of value and meet a lot of people up front.

My time has expired, Mr. Chairman.

Chairman CHABOT. Thank you very much. The gentleman's time has expired.

The gentlelady from California, Ms. Chu, is recognized for 5 minutes.

Ms. CHU. Thank you.

Mr. Rivera, I know that the primary topic of this hearing is hurricane disaster response, but I would like to talk about an issue that is severely impacting the small businesses and the communities in my state of California, and that is wildfires.

Wildfires have devastated California in recent years, but in particular, in 2017, nearly 1.2 million acres of land were burned and 10,800 structures and 46 people were killed. So this is extremely devastating. And SBA was active in responding to some of the disasters at the request of Governor Brown, but could you tell us SBA's timeline for processing disaster loan applications for the California wildfires and whether SBA has met those goals?

Mr. RIVERA. So to answer your question, on average, we do it in 18 days; 14 days for homes and 18 days for businesses.

When we respond to disasters, we intentionally focus on different disasters that may be occurring at the same time we are responding to larger disasters. So we make sure that we take care of, from my perspective, it does not matter where the disaster is. If you are a disaster survivor, that is the most important thing to your business or your home, so we spread out teams that focus on, for example, the California wildfires, the lava flows in Hawaii, the flooding up in the Midwest. So we make sure that we are servicing the entire country as best we can at the same time.

So generally speaking, I can get the exact specific turn times on that, and I can get that for the record, but generally, we are in that 14 to 18 day timeframe for an approval, withdrawal, or decline.

Ms. CHU. Yeah. I would like to know how many have applied and how many of the applications have been processed and by what kind of timeline.

Mr. RIVERA. Okay. Absolutely.

Ms. CHU. And do you know, you said an 18-day framework, but what are the biggest challenges to ensuring this short processing time for the loan applicants?

Mr. RIVERA. Usually it is data that we request. Now, we have streamlined our application and we streamlined the data request that we have. So from our perspective, fires are horrific, especially when everything is burned down. So we have to rely on third-party resources. So for repayment ability, we rely on the Internal Revenue Service and whatever they provide from a tax perspective. We get an electronic feed from the IRS once we get the access from the disaster survivor. We used to go on the ground and do field inspections and send somebody out to a pad that was completely burned down. We now have changed. This was a result of Harvey, Irma, Maria, since then. We do a desktop verification. And what we do is we get a footprint of the home and then we call the disaster survivor. We can tell from what they are talking about and what the estimate is. We have models that say based on the footprint of the home. We can do that for floods or for fires from that perspective. So that is a process improvement.

And if I can just spend one more second. Superstorm Sandy, it took us 10 days to be on the ground to do a field inspection. We cut it to 6 days in Harvey, Irma, Maria because we did a desktop verification. So those are some of the small things we do internally to try to speed up the timeframe.

Ms. CHU. I understand that through California, 3,527 SBA loan applications were received from those affected by separate fires in eight counties last year. How many of these were home loans and how many of these were business loans, and ultimately, how many were approved?

Mr. RIVERA. I will have to get back to you for the record. I apologize; I do not have the California numbers. But the general rule of thumb is 80/20. It is 80 percent homeowners to 20 percent businesses, and the dollars are 50/50. Fifty percent of what we approve across board. I really apologize; I have my sheet here but I do not want to waste time flipping through it.

Ms. CHU. Yeah, again, I would appreciate that information.

So the wildfires are caused largely by weather changes, which means that wildfires are an ongoing problem in California and will likely continue. Right now there are 21 wildfires over 500 acres in California that are burning. Given the constant nature of this disaster, is the SBA ready to take steps to ensure that California businesses and homes are ready to access SBA assistance in the future?

Mr. RIVERA. Oh, absolutely. I mean, as soon as the governor says that they have been overwhelmed and they need the request and they need the financial assistance from a Federal perspective, we are ready and prepared.

Ms. CHU. Okay, thank you.

Mr. RIVERA. Thank you.

Chairman CHABOT. Thank you. The gentlelady's time has expired.

The gentlelady from Puerto Rico, Ms. González-Colón, is recognized for 5 minutes.

Ms. GONZALEZ-COLÓN. Thank you, Mr. Chairman. And thank you, Mr. Rivera.

I was reviewing how long it took for SBA to process the business loan and the home loan, taking the experience of Sandy, Katrina, and Maria. And you say that in Katrina it was 60 days for business and 74 for home; Sandy, 45 days for business, 38 for home; and in the case of Maria, it is in the high 20s and in the low, 30 days in home assistance. That is correct?

Mr. RIVERA. Yes, ma'am, overall.

Ms. GONZALEZ-COLÓN. Overall. Then my main problem will be is that most of the cases that we are receiving in my office from small businesses is that once their loan is approved, it takes from 2 to 6 months to get a disbursement. So why, if you are taking less than 20 days or 30 days in making that application reviewed and approved, why then is it taking up to 6 months for the small businesses on the island to get the disbursement?

Mr. RIVERA. So it is a partnership. Once we make the loan as a lender, we need the disaster borrower to sign the loan closing documents. We give them 60 days to sign the loan closing documents. We do not push them to close the loan. We are patient with them. We let them figure out what insurance they have, what other personal resources they have. We could take the opposite approach though. We could drive them to a disbursement, but we take kind of a very passive approach. When they need the money, we call them. We assign a case manager and we serially disburse based on that.

Ms. GONZÁLEZ-COLÓN. My question with that is that we do not have as many banks on the island as we used to have before, so the lenders that we do have on the island, this continues to be the main source of controversy by the small businesses on the island because of the time of the waiting. What can SBA do to rectify or help us out to get new steps on how to make this process a more streamlined process?

Mr. RIVERA. Well, if there is a lender out there that wants to make a bridge loan, we are glad to take a look at that and take out that bridge loan. I mean, that has always been the practice from the Disaster Loan Program. If a bank is out there and can make a temporary loan in the interim for us, I mean, we are glad to do that.

But the disbursement process, I just need to be really clear. We just need to get the documents we requested and then we just need to provide the disbursement. It is pretty clear-cut. Some of the wait times are based on they are waiting for a contractor to start the rebuilding process. I mean, there is a host of issues that result in that. It is not because we are sitting back and doing nothing. In most instances it is we are just waiting for the disaster survivor to start the rebuilding from that perspective.

Ms. GONZALEZ-COLON. One of the main problems we have got is that in order to get some of the assistance from FEMA, you need

to go through the SBA application to know if you are going to get a loan by SBA or if you do not qualify to have a loan being approved, even business or home by SBA. Then you will get the assistance from FEMA. So the whole process, I mean, we have got more than 50 percent of the applications coming from FEMA being denied. Most of them, they need to wait through the processing SBA.

So I was in a briefing last week, and we were wondering why it takes so long for the SBA to review that application, then going again back to FEMA, how is the interaction between SBA and FEMA in order to let the people know? I, even myself, submitted the application. It was so complicated to the regular citizen on the island that I decided to see how many papers they needed to sign. And when we saw that, the process is so long, so difficult, it is not a clear path to getting a loan being approved. It is not a clear path to get FEMA assistance being approved. And I think that process should be streamlined between SBA and FEMA, and I want to know if you already got meetings to get something done in that regard.

Mr. RIVERA. We are continuously working with FEMA. I am a little bit confused on the comment of why it takes so long. I mean, we are processing these loans in 18 days for a home—17, 18 days for a home, and 20-something for a business.

Ms. GONZALEZ-COLON. But people need to wait 6 months to get it.

Mr. RIVERA. Yeah, but again, I mean, in all due respect, it is a partnership. We cannot make a disbursement. We have our own internal controls. We have responsibility to the taxpayer.

Ms. GONZALEZ-COLON. Then let us know how we can help to streamline that process. And that is the question I am doing today. It is not about that it is your fault; it is how we can make that process to be a streamlined one so the people can get the resources that I provided for them. Because you are doing the whole process in less than 20 days but, you know, you do not have power. You do not have water. You do not have telecoms on the island. The whole business community gets affected. But then you need to wait 6 months to get the money. So most of these small businesses are still closed because of that. Thank God this Congress approved a reimbursement for all the employers that still paid their payroll during that time. And with that kind of money, some of those small businesses are opening their workshops.

I know my time has expired, but thank you, Chairman.

Chairman CHABOT. Thank you very much. The gentledady's time has expired.

The gentleman from Illinois, Mr. Schneider, who is the Ranking Member of the Subcommittee on Agriculture, Energy, and Trade, is recognized for 5 minutes.

Mr. SCHNEIDER. Thank you very much. And Mr. Rivera, thank you for your time here today for the work you are doing.

I have a lot of questions, but you touched on something you were talking about specifically right now, the red wave and the algae blooms in Florida. We, this summer, have seen the horrific fires on the West Coast, record-setting fires. We talked about last year record-setting pace between Harvey, Irma, Maria, and other crises.

And the charges that you were given by the administrator was let's figure out how to do Katrina times three. And you talked about achieving that. But it still seems from where I am sitting that we are running faster and barely keeping on pace. In fact, running times three may even be leaving us behind. And it seems the common thread through all of these is climate change.

So my question to you is, how is the SBA adapting to the expected increase in incidents that next year is probably going to be worse than last year? We are going to see increasing impact, higher intensity, more frequency. How do we make sure that we have the resources and are able to provide the services to small businesses dealing with the impacts of these storms and other aspects of climate change?

Mr. RIVERA. So I have been with the Small Business Administration for 30 years. I mean, I do not know. I am not in a position to talk about climate change. I am in a position from SBA to, as the head of the—

Mr. SCHNEIDER. I appreciate that, but we are seeing this increasing pace. The fires—

Mr. RIVERA. It has always been like this.

Mr. SCHNEIDER. No, the fires we have seen have never been like this. We have had earlier and longer and more intense, ever record-setting. We are seeing an increase. Am I am not talking about—I am not trying to debate with you the causes of climate change. What I am saying is our communities, our nation, our small businesses are seeing more severe impacts from natural disasters, and how do we make sure that we have the resources available to them?

Mr. RIVERA. So they are in place. I mean, we had a Disaster Preparedness and Recovery Plan. I have 1,000 core employees. I have 4,000 reservists. We can service up to 350,000 applications within 20 days, 18 days. We just experienced that in 2017. So we are at that point there. I cannot predict what is going to happen next year. This year we are off to a slow start with the hurricane season. We just had our first experience in Mississippi. Hurricane Layne was 100 miles south of Hawaii. There is just minimal damage from that perspective. So I can tell you we are prepared. The overarching goal is a good stretch goal. I think we can meet it with technology and ability to use third-party independent verifications. I think we can move faster, and we can provide the best service that we can from that perspective.

Mr. SCHNEIDER. Are there any steps we can take to help small businesses prepare better for disasters to mitigate the impact after the event by taking steps now to prevent? As my colleague from Mississippi mentioned, working to help National Guard and other agencies respond more quickly?

Mr. RIVERA. Part of our outreach plan is to reach out to the local communities, so forth and so on. My experience has been we teach everybody to get a business plan; right? But we do not teach them what happens in a disaster. I mean, so from a social media perspective, when are you going to reopen? From a supply chain, you know, where is your list of your vendors and what happens if your primary vendor is impacted, so forth and so on. So those are the kind of things that we are pushing out now. We have a really

good partnership with Institute for Business and Home Safety. I think that is going to launch us, and then we are going to continue to push forward on the preparedness side.

Mr. SCHNEIDER. Shifting gears a little bit but still related, last summer in my district we had record-setting floods, and the floods caused devastating damage. It was a one-two punch. We had direct rainfall that caused unprecedented damage. And then from rains further north, as the rivers rose, we had a second flooding event. It did not qualify for FEMA relief. The SBA, because there is a lower threshold for disaster assistance, the SBA did provide help. But can you talk about how SBA's assistance helps fill the gap by disasters that have a serious economic impact on a community but are not large enough for FEMA assistance?

Mr. RIVERA. Yes, I can. We have, the SBA, in our Code of Federal Regulations, we have by regulation what the thresholds are for disaster declaration. So it is really easy from our perspective—easy, I say, going out and doing a survey and estimating what it costs to repair or replace a property. But FEMA's guidance is much broader. It is based on the economic impact that it has to the GDP of that state, so forth and so on. So ours is more focused and more scoped. I should not say focused, more scoped, and it is very clear. It is pretty black and white. Twenty-five homes or businesses which sustain 40 percent or more uninsured loss. That is for an agency. Five businesses the governor needs to certify for just an economic injury disaster threshold. So it is pretty clear-cut from our perspective. And I am glad we are able to provide the support and that is the purpose of it. Not everything meets the threshold of a presidential declaration, but we are there to serve. Because all disasters are local from that perspective.

Mr. SCHNEIDER. Absolutely. And I am out of time, but thank you again. I yield back.

Mr. KELLY. [Presiding] The gentleman's time has expired.

I now recognize Mr. Curtis from Utah.

Mr. CURTIS. Thank you, Mr. Chairman, and the Ranking Member for holding this important hearing. And thank you, Mr. Rivera, for being here to help us better understand the Small Business Administration's disaster relief operation.

In Utah, we are no stranger to natural disasters, but I can only remember one hurricane in 60 years. But this summer, almost every morning we wake up to the news of a new fire, mostly caused by nature. This year we are looking at 875 different fires.

I recently drove by one of these fires, the Dollar Ridge Fire in Duchesne and Wasatch County that consumed 70,000 acres. It is almost out thankfully, but we actually predict that we will see smoke from that fire until the snow falls later this year.

My understanding is SBA's disaster response has not been involved in the Utah fires. And can you walk me through a scenario where you would be involved in the fires and help me understand what triggers that decision.

Mr. RIVERA. Yes, sir, thank you.

From SBA's perspective, as I mentioned earlier, we have regulatory guidance. Fires, generally there is insurance involved, and most homeowners do have homeowner's, a hazard policy that includes if their home gets burned they are covered by hazard insur-

ance from that perspective. One of the things that we do is when we go out and do an assessment, we need to find a population that shows sufficient damage to meet the threshold for us to meet from that perspective. There are some fires where it is just an open area and there is not any damages to any businesses or any homeowners, but when there is a pocket of businesses or homes in a general area we can go in and step in.

Mr. CURTIS. We face this problem in rural Utah where numbers do not add up. They would in a more dense area. And so while it can be extremely devastating to a rancher or even the tourist business, they are few and far between out in these rural areas. And I guess one of my questions is, is that a policy that can be visited to see even though we do not have thousands of businesses being impacted, the only ones that care are those that are being impacted and that may be one.

Mr. RIVERA. No, I agree. I agree with you.

So the threshold for an economic injury disaster loan is for the governor to find 5 small businesses that have sustained substantial economic injury. I do not know if we can move that. We can definitely continue the conversation offline as far as if there are pockets in your state that are not being identified, we would be glad to reach out and figure out how to make this work.

Mr. CURTIS. Terrific. Thank you.

Can you help me identify the difficulties of responding to a fire versus some of these other natural disasters?

Mr. RIVERA. Fires are challenging from the perspective of there is just no documentation. No tax records, no paperwork. So we have leaned on technology. I mean, we get a copy of a tax transcript. Part of our application you can submit a request for us to get a copy of a tax transcript from the IRS. So that eliminates that need for that additional paperwork. We do a footprint of a home or a business, and we estimate based on that footprint of that home and the structure and the makeup of the facilities what we can make for a loan and estimate based on that.

The biggest challenge we have in fires is most people do not want to borrow even though it is at a low-interest rate. They want to collect from their insurance claim. But we will work. We encourage everybody to go and apply. It does not cost anything, and we can make a commitment up front, a loan commitment up front, and we can work with the insurance company on the backside.

Mr. CURTIS. Thank you.

Mr. Chairman, I would like to yield the balance of my time to my colleague, Ms. González-Colón.

Mr. KELLY. Without objection.

Ms. GONZALEZ-COLON. Thank you, Mr. Chairman. And thank you, Congressman Curtis, for letting us that time.

Some of the people that are presenting cases in my office regarding the SBA is the issue of doing business as or the DBAs. Most of the people that are filing for an application to get a loan are filing those using the model of doing business, the DBA model, but those cases are not being approved. Is there any reason why SBA is not managing the DBA business structure in order to get the loans being approved?

Mr. RIVERA. I am not quite clear on why you would be hearing that. A sole proprietor, doing business as a sole proprietor. So for example, if it is me, I am doing business as something else, we would look at my individual tax return and it would be a Schedule C or Schedule E or Schedule, you know.

Ms. GONZALEZ-COLON. Yeah. It is the personal tax—

Mr. RIVERA. Right. But I would like to reach out to you and see if there are specific issues, because I am not aware of any DBA issues as a sole proprietor.

Ms. GONZALEZ-COLON. We have plenty of cases of DBAs applying and not getting their application being approved.

Mr. RIVERA. Okay.

Ms. GONZALEZ-COLON. Thank you, Mr. Chairman.

Mr. KELLY. The gentleman's time has expired.

I now recognize the gentleman from Pennsylvania, Mr. Evans, the Ranking Member on the Subcommittee of Economic Growth, Tax, and Capital Access.

Mr. EVANS. Thank you, Mr. Chair.

Mr. Rivera, do you have any statistics on the number of small businesses who have requested and received \$25,000 under the new revised, unsecured loan limits?

Mr. RIVERA. So we do not make a loan based on the unsecured threshold; we make a loan based on the amount of damage that they have. So if you have \$50,000 worth of damage, the loan commitment will be at \$50,000. If the individual homeowner or business opts to only borrow \$25,000 and they have means for the additional \$25,000, we will go ahead and move forward with that loan commitment.

Mr. EVANS. So you do not keep track of number?

Mr. RIVERA. Well, for the record, I can get back to you the breakdown between unsecured and secured between that \$25,000.

Mr. EVANS. Okay. Because you said that is going to be sunset.

Mr. RIVERA. Yes, sir. So the initial disbursement currently allows us to go up to \$25,000, but it used to be \$14,000, but because of the RISE Act we are able to maintain that \$25,000 threshold. But I can provide you that information.

Mr. EVANS. Okay.

Mr. Chairman, for the balance of time, I would like to yield my time to the Ranking Member so she can follow up.

Mr. KELLY. Without objection.

Ms. VELAZQUEZ. Thank you, Mr. Chairman. And thank you, Mr. Evans.

Mr. Rivera, the OIG reports show the same disaster loan process applied for Hurricanes Harvey and Irma. However, the OIG found a much longer and burdensome process applied to victims in Puerto Rico. Can you explain to me why they have to go through all this burdensome, complex process compared to those who were victims in the mainland that applied for disaster loans during Harvey and Irma?

Mr. RIVERA. I do not have a copy of the report. I cannot see what you are pointing to.

Ms. VELAZQUEZ. But do you know that the process for the people of Puerto Rico to apply for a disaster loan was much longer?

Mr. RIVERA. It is the same process.

Ms. VELÁZQUEZ. And many more complex requirements?

Mr. RIVERA. It is the same process. The only difference is that we—

Ms. VELÁZQUEZ. So the OIG is wrong?

Mr. RIVERA. I am not saying the OIG is wrong. All I am saying is that it is the same process as if you are in the island of Puerto Rico as if you are in any of the islands, Guam, American Samoa. The Hacienda Taxing Authority is the equivalent of the IRS and we just need to get a copy of the taxing authority as far as for a primary source of repayment.

Ms. VELÁZQUEZ. So you are telling me that the OIG is wrong in his—

Mr. RIVERA. No, I am not.

Ms. VELÁZQUEZ.—in his assertion—

Mr. RIVERA. No, ma'am. That is absolutely incorrect.

Ms. VELÁZQUEZ.—that the process to apply for disaster loans in Puerto Rico was more burdensome and complex?

Mr. RIVERA. I disagree. The IG is just simply stating that there are more steps in that process because of the Taxing Authority.

Ms. VELÁZQUEZ. I yield back, Mr. Chairman.

Mr. KELLY. Mr. Evans, do you yield back?

Mr. EVANS. As of 6 months following Hurricane Maria, only about 20 percent of all approved loans have been disbursed. Why is that rate so low? Can you speak to that?

Mr. RIVERA. Yes. That is a snapshot of when the inspector general did the inspection. We are currently at 80 percent of loans are disbursed and 50 percent of the dollars. So, I mean, that was early on in the disaster and it is more mature at this point.

Mr. EVANS. I yield back the balance of my time.

Mr. KELLY. The gentleman yields back.

I now recognize Mr. Fitzpatrick from Pennsylvania for 5 minutes.

Mr. FITZPATRICK. Thank you, Mr. Chairman. Thank you, Mr. Rivera for being here.

I want to focus on Puerto Rico, specifically. I had the opportunity to be there with my friend and colleague, Ms. González-Colón, over Thanksgiving to inspect what at the time was the Convention Center in San Juan and all the different components to the recovery operation.

Did SBA have a presence there initially?

Mr. RIVERA. Yes, sir. We have been co-located with FEMA since the very beginning.

Mr. FITZPATRICK. So I guess my question is what has the interface been? Because I also, in addition to this Committee, I sit on the Committee on Homeland Security. We have oversight over FEMA. What has the interface been? What is working? What is not working? And I know it was originally centered in the Convention Center. It has since been disbursed to various sites and locations across the island.

Mr. RIVERA. On the technology side, we have a computer matching agreement with FEMA. SBA and FEMA do. So we share data constantly back and forth. When we approve a loan, when they approve a grant, so that information flows freely back and forth between the agencies.

We are co-located with FEMA in all their centers. They started the disaster recovery centers. We have our own business recovery centers, and we invite FEMA to join us at the business recovery centers. We are now transitioning into community recovery centers. We still have 350 people there in 50 centers, so we are there for the long term.

Mr. FITZPATRICK. Thank you.

So has this Committee given SBA what it needs to fully effectuate the mission on the island? Is there anything more that you need?

Mr. RIVERA. I believe this Committee has been really helpful throughout this process. I mean, I have given examples about the RISE Act. I have given examples about the Disaster Loan Application Portal. There is a lot of positive coming from the Committee to the program. It is very helpful for the disaster survivors.

Mr. FITZPATRICK. Mr. Chairman, I am going to yield the balance of my time to my colleague from Puerto Rico, Ms. González-Colón.

Mr. KELLY. Without objection.

Ms. GONZALEZ-COLON. Thank you, Mr. Chairman. And thank you, Mr. Fitzpatrick, not just for lending us the time now but your visit to the island during the difficult process and all the help for the different bills we have been approving here.

One of the issues that I just want you to tell me, you got 51,000 loans approved to the island. How many of them are still waiting for disbursement?

Mr. RIVERA. I can get back to you for the record or I can look real quick.

Ms. GONZÁLEZ-COLÓN. Please get back with the information for the record.

And we sent a letter to the SBA Administrator because I know the new goals for the small business technology development centers and the one in Puerto Rico just increased a lot of the requirements for business start. One hundred seventy new businesses, an increase of 57 percent from the last year, and capital information, an increase of 85 percent. And when you compare those numbers with the numbers of 2017 for the island, we are still recovering in an economy that a lot of those businesses closed because of the hurricane. So I am asking SBA to review the goals imposed, in this case to Puerto Rico after the hurricane because we are not going to meet all those new goals and provisions and that will affect directly the amount of money and funds that small business technology centers on the island will receive as part of that. And that includes the jobs supported when you are losing a lot of those small businesses. I do not know if you are aware about that.

Mr. RIVERA. That is a different division, but we will go back and we will communicate this to them.

Ms. GONZALEZ-COLON. The other area that I was telling you before was how the process between FEMA and Small Business are managing up with the centers that you have still got on the island? There are still many centers and you still got personnel in those centers. Many of the people that applied for the first assistance from FEMA were denied. A lot of them were denied. We were managing to have different codels to the island, and FEMA are just ac-

cepting again all the applications and reviewing them, and that means that the SBA process is getting involved again in that. So having that information, do SBA have enough resources to face not just the 2017 hurricane, but another hurricane in this season? Or do we need to fund again SBA?

Mr. RIVERA. I think we have plenty of resources currently. And when there is a FEMA appeal with the disaster survivor, that does not have to come back through SBA. If somebody is with FEMA, they stay with FEMA. If they are referred to SBA, they have to get declined to get back to FEMA. That is the federal process. But if they ask for an appeal through FEMA, that does not need to come back to SBA. So I can reach back and we can clarify on that.

Ms. GONZALEZ-COLON. Yes. Because the information, I mean, we are having the revenue from the centers. And even the FEMA directors on the island it is different.

Mr. RIVERA. Okay. Thank you.

Ms. GONZALEZ-COLON. I yield back.

Mr. KELLY. The gentlelady's time has expired.

I now recognize the gentlelady from New York, Ms. Clarke, for 5 minutes.

Ms. CLARKE. I thank you, Mr. Chairman. I thank our Ranking Member. I thank you, Mr. Rivera, for your testimony here today.

The SBA's Disaster Loan Program is an essential component to the Federal Government's efforts in providing relief to American citizens in the wake of natural disasters. Nearly 75 percent of small businesses lack disaster relief plans, and despite 70 percent of small businesses feeling vulnerable to natural disasters, when natural disasters do hit, as was the case with Hurricanes Harvey, Irma, Maria, which ravaged Houston, the U.S. Virgin Islands, and Puerto Rico, they can lead to damage that permanently shuts 40 to 60 percent of small businesses. When businesses are not forced to close, they can expect to pay between \$100,000 to \$250,000 on average, as was the case with many businesses in my district of Central Brooklyn in the wake of Superstorm Sandy.

The SBA's Disaster Loan Program helps address these challenges by providing personal loans of up to \$200,000 in small business loans, of up to \$2 million in the wake of disasters. While these loans are essential to helping small businesses in the wake of crises, a series of SBA OIG reports recently highlighted ways in which the SBA could improve its functioning.

So Mr. Rivera, the Inspector General Report for Hurricane Harvey concluded that a significant percentage of calls went unanswered, despite the increasing number of available agents. While I understand that three hurricanes can overwhelm an agency, it is still alarming that the 90 percent goal of incoming calls was never achieved. What are the primary challenges in answering calls? And was it staffing levels? Was it funding?

Mr. RIVERA. So we were stressed, obviously. So we received 1.2 million calls. As the calls come in, often what happens is there is a wait time associated with it, but from our perspective, we learned a lot from that. We are retooling the way we handle calls. We are using technology as much as we can. One of the things, for example, we have a callback feature now. So instead of calling and waiting 30 minutes, you can call and you can do the callback feature

and then we can queue you up for a conversation later on. Some of the times we call and then they are not available, the survivor is not available from the call center to tell them to apply with an SBA loan and they push the callback number. So that self-imposed a lot of calls from that perspective.

The IG's report just basically highlighted. In week four, we have two sister offices, one in Atlanta, one in Sacramento that back up the call center in Buffalo, New York. And what happened is we deployed for Harvey and Irma and we dropped the number of agents. In hindsight—

Ms. CLARKE. But ironically, the wait times, nor the option to return phone calls was available to customers following the recent hurricanes.

Mr. RIVERA. So 65 percent of the calls were answered. Let me just be really clear. Sixty-five percent of the calls were answered, so only 35 percent were not answered on a million two.

Ms. CLARKE. Listen, if you want to believe that and you think that is great, that is fine. What I am saying to you today is that we got to find a way to make sure that the agency has the resources it needs to answer calls of distress and be able to make sure that we are reaching everyone in need of your services. So it is not about being defensive about what the agency does; it is how we can be helpful in making sure that you have what you need to answer these calls when they come in and that we are communicating effectively with the public about what they need to do. Because I can tell you that every single day that a small business is shuttered and unable to access you, it is a hardship. Not only are you stressed, our communities become stressed.

Let me also add to this that we are going to be seeing more and more simultaneous events, so that is only going to add even more stress to your agency. So my hope is that we can recognize the efforts of the agency while simultaneously recognizing that we either need to build redundancy somewhere else. We need to have a contingency plan in place. Because when you have wildfires, you have hurricane season, you have volcano eruptions all happening at the same time, everyone can recognize an agency becoming stressed.

Mr. RIVERA. We agree.

Ms. CLARKE. All right. That is what I needed.

With that, Mr. Chairman, I yield back.

Mr. KELLY. The gentlelady's time has expired.

I now recognize the gentleman from Mr. York, Mr. Espailat, for 5 minutes.

Mr. ESPAILLAT. Thank you, Mr. Chairman, Madam Ranking Member.

First, I would like to, Mr. Rivera, I know that with FEMA and the grants that they provided for home relief, there was a persistent and serious problem with regard to applicants having their deeds or documentation that establish ownership or residency of those homes. Was that a prevalent problem for these businesses that apply for loans?

Mr. RIVERA. No, sir. We use a third-party contract where we independently verify, based on a contract, the owner of the property. So we do not ask for a copy of the deed anymore. We used to back in the old days but we do not anymore. That is a process

improvement. So we look at a contract that they tell us who the property owner is.

Mr. ESPAILLAT. And was there any issue with that at all?

Mr. RIVERA. No, sir. Not to my knowledge.

Mr. ESPAILLAT. And what percentage again of the loan applications are granted?

Mr. RIVERA. In Puerto Rico, 63 percent; Virgin Islands, 65 percent; it was in the mid-40s in Harvey and about close to 50 percent in Florida.

Mr. ESPAILLAT. And you found that one of these stumbling blocks for these applicants to get their loans was translation services? Is that one of the major—

Mr. RIVERA. Well, it is one of the stress points we had is that at first we did not have—the contract we had in place was not sufficient to handle the throughput because of Harvey, Irma, and Maria, and the Spanish speakers in Texas, Florida, and then in Puerto Rico. But we went from a \$50,000 contract to up to a \$2 million contract now. We have three separate contracts that can service and handle this type of volume.

Mr. ESPAILLAT. That is troubling that an agency as important as the SBA that deals with small businesses and many of the small businesses across the country are run or owned by folks who speak other languages, new immigrants that are entrepreneurs, that you do not have the infrastructure to respond to language needs of your clients. Google has like translation services. We are not splicing atoms here. I cannot believe that you do not have access to technologies that are available right now on your phone to provide immediate and efficient translation of documents, of any type of interaction that you may have with your customers which are small businesses. Have you looked at the possibility of utilizing modern technology that is available right now? So if you like, I will go over and sit with you and I will show you what I can get on my phone—

Mr. RIVERA. Thank you.

Mr. ESPAILLAT.—to translate, not just to Spanish but to any other language in the world.

Mr. RIVERA. Thank you.

Mr. ESPAILLAT. So how is it that a Federal agency that addresses business needs does not even—and is supposed to be at the cutting edge of technology, you do not have that availability for your customers?

Mr. RIVERA. We do. We do.

Mr. ESPAILLAT. That is unreal. So why did you not use it?

Mr. RIVERA. Well, back at the very beginning of the hurricanes we pivoted. We learned from what happened. We were stressed by the calls and by the Spanish speaking. And now we spend \$2 million a year. We have three separate contracts.

Mr. ESPAILLAT. Mr. Chairman and Madam Rank, we sit here on an ongoing basis all the time addressing the need of small business owners. And very often what we discuss here is the need for them to have access to new and modern technology that will give them a real advantage to do business. And yet, the agency that is supposed to provide that opportunity to them does not have it itself. And in the middle of a storm where we saw thousands of

people die and thousands of businesses destroyed, you have to go into like, you have to think about it? Unacceptable, Mr. Chairman. Unacceptable.

Ms. VELAZQUEZ. Will the gentleman yield?

Mr. ESPAILLAT. Yes, I will.

Ms. VELAZQUEZ. Mr. Rivera, I would like to hear from you, what do you say or how did you respond to Mr. Espailat's assertion that what happened to those businesses or homeowners that did not have a deed? What was your response to that?

Mr. RIVERA. We have a contract that goes and identifies who the property owner is. We do not ask individuals for copies of their deeds.

Ms. VELÁZQUEZ. But here in the disaster loan process it says that a Puerto Rico borrower has to submit title report to SBA to proceed with second closing appointment.

Mr. RIVERA. Right. That is in the event we cannot identify the property. So if we can identify the property, it is not a requirement.

Ms. VELAZQUEZ. Okay. Thank you.

Mr. ESPAILLAT. Mr. Chairman, I yield back the remaining part of my time. Thank you so much.

Mr. KELLY. The gentleman's time has expired.

I now recognize the gentlelady from North Carolina and the Ranking Member of the Subcommittee on Investigations, Oversight, and Regulations, for 5 minutes.

Ms. ADAMS. Thank you, Mr. Chairman. Thank you, Ranking Member Velázquez. Mr. Rivera, thank you for being here.

Today's hearing is primarily focused on the agency's response to last year's hurricane season, but I would like to get a sense of how SBA's response efforts have improved over the past 15 years. Looking back on some of our major disasters starting with Hurricane Katrina, then Superstorm Sandy, and then in my state of North Carolina, Hurricane Matthew, was the most powerful storm of the 2016 Atlantic Hurricane Season. Matthew brought devastating flooding, strong winds and storm surge to the Eastern Coast, and finally, going through last year's historic and destructive hurricane season. So in addition to what you have said, what has SBA's greatest challenges and lessons learned been?

Mr. RIVERA. We have taken advantage of technology. And as I mentioned earlier, we are trying to streamline wherever processes are and use technology. I go back to the example of we now do desktop verifications. Our field inspectors no longer go on the ground. And Sandy took us 10 days for a field inspector to do an inspection on a home. Now, on average, we can do it in 6 days by somebody doing a desktop verification. They get a copy, for example, like a Zillow or Realtor.com, a footprint of the home. And then what we can do is we can have a discussion over the phone with the disaster survivor which cuts some time.

Ms. ADAMS. Thank you.

How has SBA insured the facilitation of more contracting opportunities for small businesses, particularly minority, women, and veteran-owned from all Federal agencies through your procurement center representatives in the rebuilding and debris removal process after the disasters?

Mr. RIVERA. So FEMA has done a really good job. I mean, they are tasked with doing mission assignments and in the category of debris removal, they went from national contracts to now where they go to local small businesses, have an opportunity to compete for those type of contracts. If you have a trucking company that can support debris removal, they will now allow those trucking companies to step in.

Ms. ADAMS. Thank you.

What specific steps has SBA taken through your PCRs to advocate that disaster contracting actions benefit small businesses local to the disaster to the maximum extent possible?

Mr. RIVERA. So we do focus with our government contracting team. In the disaster, the PCRs are well aware of the disaster contracting opportunities, and we do connect them with FEMA and with all the other Federal agencies that need to provide contractor support.

Ms. ADAMS. Okay. Thank you.

And can you speak generally on the approval and decline rates of loans received for each hurricane? For example, following Matthew, 19,816 applications were processed, and of those only 7,374 were approved.

Mr. RIVERA. Yes, ma'am. It is the footprint of the disaster. Like, when I was in the private sector, I could pick who came in to my office. We do not get that opportunity. We service all disaster survivors coming in. Sometimes the disaster footprint hits higher income areas. Sometimes it hits lower income areas. We try to do our best to try to approve every possible loan that comes through the door.

Ms. ADAMS. Thank you. Thank you, Mr. Chair. I yield back.

Mr. KELLY. The gentlelady yields back.

I would like to thank you, Mr. Rivera, for being here today.

The 2017 storm season was clearly—

For what purpose does the gentlelady from Puerto Rico seek recognition?

Ms. GONZÁLEZ-COLÓN. Mr. Chairman, I just want to—sorry about the interruption—to provide for the record and make part of this hearing, a letter that I submitted to SBA Administrator Linda McMahon, regarding the Small Business Administration—

Mr. KELLY. Without objection.

Ms. GONZÁLEZ-COLON. Thank you.

Mr. KELLY. As we continue to examine the Federal Government's response, today's hearing will help us better understand SBA's efforts in helping victims replace and rebuild their businesses and homes. This Committee will continue to look at ways to ensure the Disaster Loan Program is operating efficiently and effectively. This discussion today will help us in this endeavor.

I ask unanimous consent that members have 5 legislative days to submit statements and supporting materials for the record.

Without objection, so ordered.

This hearing is now adjourned.

[Whereupon, at 12:22 p.m., the Committee was adjourned.]

A P P E N D I X

**Statement of James Rivera
Associate Administrator
Office of Disaster Assistance
U.S. Small Business Administration**

**before the
House Committee on Small Business
Hearing on “Surveying Storms: A Deeper Dive
into SBA’s Disaster Response”
September 5, 2018**

Chairman Chabot, Ranking Member Velazquez, and members of the committee, thank you for the opportunity to testify about SBA’s Office of Disaster Assistance.

Let me start by saying, on behalf of Administrator Linda McMahon and the entire agency, we appreciate your strong support of our disaster assistance mission and your continued leadership to ensure that, as a country, we are able to meet the challenges of disaster events like the ones we experienced in 2017.

SBA’s disaster assistance mission is to provide affordable, timely and accessible financial assistance following a declared disaster to businesses of all sizes, private non-profit organizations as well as homeowners and renters. This financial assistance is available in the form of low-interest, long-term direct federal loans for disaster losses not covered by insurance or other recoveries. Since SBA’s inception in 1953, we have provided over two million disaster loans for more than \$63 billion dollars. SBA disaster loans are a critical part of the federal government’s response and recovery effort because they help to rebuild homes and businesses, replace contents, preserve jobs and spur economic recovery.

About the SBA Disaster Loan Program

Even though SBA is on the ground immediately following a disaster, we are not a “first responder” agency. Our primary focus is to provide affordable disaster loans for privately-owned property losses as part of the recovery effort in coordination with other federal, state, local, territories, and tribal partners. The SBA, through the Federal Emergency Management Agency (FEMA) as the coordinating agency, partners to ensure disaster survivors are being referred to appropriate sources of disaster assistance. For Presidential disaster declarations including Individual Assistance, disaster survivors should first register on DisasterAssistance.gov to see what types of assistance they are eligible for, and what best meets their immediate needs.

As part of an overall effort to assist disaster survivors to get back on their feet, SBA provides loan assistance up to \$200,000 to help homeowners repair or replace their damaged or destroyed primary residence. We also provide up to \$40,000 to help homeowners and renters replace damaged or destroyed personal property such as furniture, clothing, appliances, and vehicles. For businesses of all sizes and private non-profit organizations, SBA provides up to \$2 million dollars to repair or replace damaged real estate, leasehold improvements, furniture and fixtures, inventory, and machinery and equipment.

Additionally, SBA offers Economic Injury Disaster Loans (EIDL) to small businesses, small agricultural cooperatives, and most private non-profit organizations that have suffered economic injury caused by a disaster. These loans provide working capital to a business or organization until normal operations can resume following a disaster.

SBA also provides additional loan funds for mitigation – up to 20 percent of the total physical losses as verified by SBA – for protective measures to help prevent damages from similar disaster events which may occur in the future. In some cases, SBA can also provide additional funds to refinance existing mortgages in order to help make recovery affordable for the disaster survivor. SBA disaster loan funds can only be used for uninsured, underinsured or uncompensated losses. However, in order to expedite the availability of much needed disaster assistance to survivors, SBA can approve and disburse loan funds even if the insurance claim is still pending by taking an assignment of the insurance proceeds.

Agency/General Disaster Preparation

Over the past several years, SBA has made a number of key improvements that help us to better respond to disaster survivors. We have implemented streamlined process improvements that utilize technology and private-sector lending practices to upgrade the SBA Disaster Loan Program so that it improves the overall applicant experience. For example, we now use credit-scoring business rules as a tool to make expedited credit decisions and desktop verifications to quickly estimate property damages. These streamlined process improvements are especially important during such an active hurricane season like 2017 because they increase our bandwidth to provide timely credit decisions to a larger number of applicants.

I want to thank this Committee for meaningful change through the Recovery Improvements for Small Entities After Disaster Act of 2015 (RISE Act). Among those provisions were important measures for disaster survivors, such as increasing the unsecured loan limit from \$14,000 to \$25,000; expanding mitigation assistance to include safe rooms and storm shelters; and the creation of a Disaster Loan Assistance Portal that provides disaster survivors with quick and easy access to their loan application status, filing requirements, document uploads, and introduced electronic signature capability.

Increasing the unsecured loan limit to \$25,000 for physical damage loans makes a real difference to the disaster survivor who is rebuilding a home or business. SBA typically makes an initial disbursement within five days of receiving the borrower's signed loan closing documents (other than the security documents), but instead of a business or homeowner only receiving \$14,000, they can now receive \$25,000, helping to speed reconstruction.

Similarly, a small business that has both physical damage and economic injury can now receive \$50,000 in an initial disbursement – \$25,000 for the physical repairs and \$25,000 for working capital – within five days of returning the signed loan closing documents. This results in SBA getting more disaster loan funds into the hands of disaster survivors faster. As many of you may know, the increase in the unsecured loan limit is temporary and authority will sunset in

November 2018. We look forward to working with the committee to extend this provision before the November expiration.

The creation of the Disaster Loan Assistance Portal has changed the way SBA interacts with disaster survivors. Prior to the launch of the portal, the primary way for disaster survivors to check on the status of their loan application was to call the customer service center. While our customer service representatives are helpful and quick to respond, disaster survivors deserve more options and expect online access, especially during spikes in activity like we experienced this past Hurricane Season. The portal provides disaster survivors with online communications regarding the status of their application, access to filing requirements and SBA forms, even the ability to electronically sign the IRS Form 4506-T, which is needed to verify income and establish repayment ability. To maintain pace with the lending industry online advancements, SBA plans to continue enhancing the portal so that disaster survivors receive the best customer service experience possible when applying for SBA assistance.

2017 Activity

The 2017 Hurricane Season was the most active season SBA has responded to since the 2005 Gulf Coast Hurricanes Katrina, Rita and Wilma. The President declared a major disaster for Hurricane Harvey in Texas on August 25, 2017. The U.S. Virgin Islands received a major disaster declaration for Hurricane Irma on September 7, 2017; Florida and the Commonwealth of Puerto Rico were declared on September 10, with various states like Georgia, South Carolina, Alabama, and Louisiana receiving related declarations. Hurricane Maria struck the U.S. Virgin Islands on September 16 and Puerto Rico on September 17. To put this in perspective, in a three-week period, three major disaster events struck the U.S. in three separate locations. On its own, the disaster loan approval activity for Hurricane Harvey rises to the level of the second largest event in SBA's history. Despite this unprecedented disaster activity, SBA responded immediately to each declaration and had staff on the ground within 48 hours to coordinate federal, state and local recovery efforts.

Our staff on the ground was co-located at all FEMA-State Disaster Recovery Centers to assist disaster survivors in person, one-on-one with their SBA disaster loan application. SBA also opened Business Recovery Centers throughout the disaster areas to provide assistance to business owners. SBA worked closely with its Resource Partners – Small Business Development Centers, SCORE Counseling Centers and Women's Business Centers – to go beyond disaster loans and connect businesses with free technical assistance and business counseling services. Our strong partnership with SBA Resource Partners enabled us to respond quickly to business community needs.

In less than 45 days, SBA approved over \$1 billion for Hurricanes Harvey, Irma and Maria combined. This is record time compared to past major disaster events such as Hurricanes Katrina, Rita and Wilma in 2005; Superstorm Sandy in 2012; and the Northridge Earthquake in 1994; which all took over 90 days to reach the \$1 billion milestone. As of August 30, 2018, SBA has approved 43,493 disaster loans for a total of over \$3.4 billion for Hurricane Harvey; 41,349 disaster loans for a total of \$1.73 billion for Hurricane Irma; and 55,763 disaster loans for \$2.07 billion for Hurricane Maria. In total, we have approved over \$7.2 billion in disaster loan

assistance in response to the 2017 Hurricane Season. Currently, we're still approving more than \$5 million per day in disaster loan funds for the 2017 hurricanes.

Under normal conditions, and per SBA's Disaster Preparedness and Response Plan, ODA maintains 1,750 workstations in our Fort Worth Processing and Disbursement Center and 350 more surge workstations in our Sacramento Disaster Center. We also expand the loan processing footprint to include 50 additional workstations at the Buffalo Call Center. At the peak of our response to Hurricanes Harvey, Irma and Maria, we reached a total staffing level of over 5,000 disaster personnel.

In addition to the three hurricanes, and the loan figures and personnel numbers shared in response to them, SBA's Office of Disaster Assistance dealt with a very high overall volume of activity in 2017. The agency serviced 23 presidentially declared disasters, as well as 53 SBA declared disasters. These ranged from the aforementioned hurricanes to flooding, tornadoes, wildfires, and mudflows. Overall, we provided \$1.6 billion in total loan assistance in Fiscal Year 2017. Most of the loan approval activity for Hurricanes Harvey, Irma and Maria is recorded in Fiscal Year 2018 activity.

Agency After-Action Response

In April, our program office conducted an after-action workshop with our senior leadership to review our performance during Hurricanes Harvey, Irma and Maria. The group captured best practices and lessons learned. Later, we discussed those items among the agency's senior staff as well as with the Administrator.

Among those key areas are to continue improving how we establish and maintain our Office of Disaster Assistance staff and customer service presence in the areas affected by a disaster. We also want to ensure that our Electronic Loan Application process remains robust and can handle the requisite volume of application activity, that we effectively assess and verify property damage, and that we can efficiently staff and identify any barrier to overall application processing. We are also modernizing our Disaster Credit Management System to maximize technology in order to improve business processes and enhance volume processing functions such as auto-decisioning and parallel actions. Lastly, we want to make the end-process of closing and disbursing the disaster loans as expedient as possible for the disaster survivor.

2018 Activity

So far, disaster activity has been active and diverse. To date, there have been ten presidentially declared disasters and 33 SBA agency declarations. SBA is providing disaster assistance across 22 states in response to severe storms, tornadoes, wildfires, floods, and lava flows, to name a few.

In looking at states represented by this committee, we have declarations for wildfires in California, a tropical storm in American Samoa, hurricanes in Florida and Puerto Rico, flooding in Illinois, Kentucky and New York, and severe storms and tornadoes in Iowa, Mississippi,

Pennsylvania and Virginia. As Tropical Storm Gordon approaches the Gulf Coast, and as other potential future disasters impact states across the country, SBA will continue to answer the call.

In closing, I appreciate the opportunity to update this committee on SBA's disaster recovery efforts. We firmly believe that reforms we instituted enabled us to be better prepared to respond to the 2017 Hurricane Season, and we are implementing further changes to improve our 2018 efforts. Administrator McMahon had pushed us to be ready for the 2017 season, and I am proud of the hard work and many long hours put in by our Office of Disaster Assistance staff. I also want to recognize the support of my SBA colleagues, as well as the response from other federal agencies and our federal disaster assistance partners. This collective effort, in my view, contributed to a successful disaster and hurricane response effort by the agency.

Thank you, Mr. Chairman, and committee members. I look forward to answering any questions you may have.

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COMMITTEES:
 NATURAL RESOURCES
 SMALL BUSINESS
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Congress of the United States
House of Representatives
 Washington, DC 20515-5400

August 31, 2018

The Honorable Linda McMahon
 Administrator
 Small Business Administration
 409 3rd St SW
 Washington, DC 20024

Dear Administrator McMahon:

First, I want to thank the efforts of the Small Business Administration to assist our constituency in the aftermath of Hurricane María through the allocation of additional resources and funds so much needed for the Island's recovery.

During recent conversations with the Puerto Rico Small Business Technology Development Center (PR SBTDC), we knew about the programmatic goals for FY 2019 issued by the Office of Small Business Development Centers (OSBDC). In the case of Puerto Rico, such goals could not be achieved due to our economic reality, worsened with the landfall of Hurricane María. Additionally, OSBDC is rolling out new goals for the Island with no additional money. The aforesaid changes are summarized as follows:

- 
- 173 new businesses started: an increase of 57% from 2017 results (110 new businesses);
 - \$59,549,450 in capital formation: an increase of 85% from 2017 results (\$32.4M);
 - 9,203 jobs supported: an increase of 129% from 2017 results (4,005 jobs);
 - 2,549 clients served: is achievable given that PR SBTDC served 2,833 clients during 2017.

According to the latest data collected by the State Data Center of Puerto Rico, 300,000 residents have departed from the Island in the last five years. Furthermore, a decrease of 11.2% of the population is projected over the next six years.

On the other hand, the local economy has impacted the lending sector. Pursuant to a report published by the Puerto Rico Commissioner of Financial Institutions, during the first quarter of 2018, commercial loans have decreased over \$12 billion and \$34 billion

The Honorable Linda McMahon
August 31, 2018
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in the total loan portfolio¹. At the same time, the restructuring of the Economic Development Bank -starting on 2015 due to debt restructuring- has reduced the opportunities to lend small business. By that time, the PR SBTDC had approximately \$3 million in loans pending approval from such bank that was key for small businesses. Additionally, since 2015 the number of retail banks has reduced from ten to five, with a total assets reduction of \$42 billion, representing 42%.

The Fiscal Plan for Puerto Rico submitted on August 20 to the Financial and Oversight Management Board², includes valuable data on the local economy. The document concludes that after Hurricane María, the Gross National Product decreased in 15.2%. Additionally, an increase of 6.2% is projected for 2019 due the injection of federal funding for disaster recovery. Notwithstanding, the number will decrease to 1.9% for 2020, reaching negative numbers by 2022.

Consequently, we urge the Small Business Administration to review and adjust the programmatic goals for FY 2019 as proposed for Puerto Rico. Our interest is to have achievable goals to maintain the continuity of services provided by PR SBTDC.

Sincerely,



Jennifer González-Cole
Member of Congress

¹ http://www.ocif.gobierno.pr/documents/Q2-2013/commercial_banks.pdf

² The board was created pursuant Section 101 of P.L. 114-187.