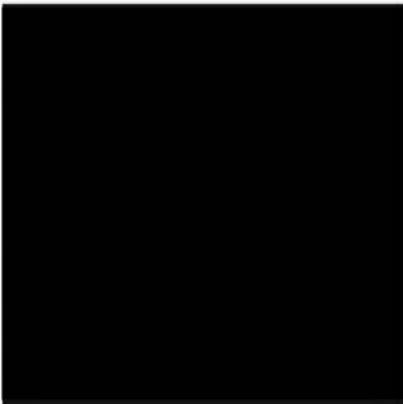
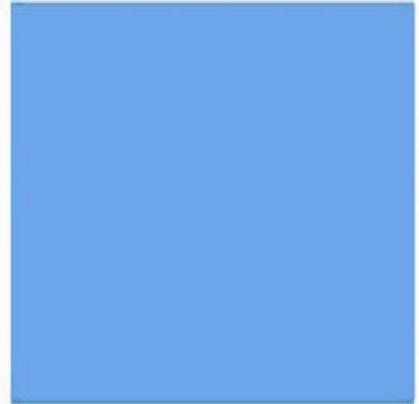
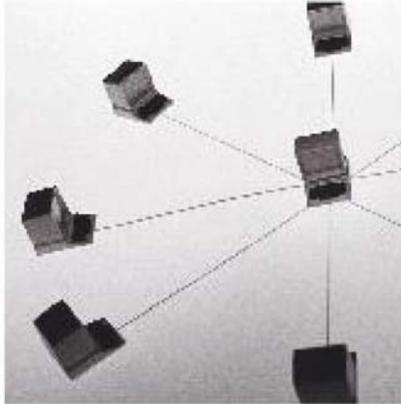


Disaster Recovery Plan



***United States
Small Business Administration***

July 31, 2010



SUMMARY OF CHANGES

Section I. Introduction, Pre-disaster Planning and Preparation: Characterizes natural disaster according to risk of necessitating SBA-wide surge to meet disaster loan demand.

Section III. Disaster Recovery Framework: Operational Support, Human Capital and Training Overview Clarifies use of non-ODA staff, not as a solution to increase processing capability, but as a temporary “buffer” pending availability of newly hired personnel. Updates organizational structure for Quality Assurance function.

Section VI. Forecasting and Modeling, Modeling and the Surge Process: Emphasizes modeling provides estimates to be coupled with the judgment of managers before SBA executes a surge. Clarifies that elevating SBA response is an Administrator’s decision, not an automatic action based upon projections.

Section VII. Surging to Accommodate Need: Introduction better describes application of estimates to judgments of what surge level to adopt.

Section VII. Surging to Accommodate Need, Disaster Recovery Decision Tree: More accurately describes surge decision process through application of day-to-day SBA management processes.

Appendix B – Surge Plan: Emphasizes use of estimates in assigning surge levels and addresses reduced dedicated space requirements resulting from remote accessibility of DCMS.

TABLE OF CONTENTS

| | |
|-------------------------------------------------------------------|-----------|
| Table of Contents | i |
| List of Figures | iii |
| Executive Summary | v |
| I. Introduction..... | 1 |
| SBA’s Role In Disaster Recovery Efforts | 2 |
| Pre-Disaster Planning and Preparation | 2 |
| Enabling SBA To Meet Future Challenges | 5 |
| II. Disaster Loan Process..... | 7 |
| Pre-Disaster Planning And Preparation | 7 |
| Disaster Declaration and Notification..... | 8 |
| Application Intake | 9 |
| Loss Verification | 9 |
| Loan Processing..... | 9 |
| Closing and Loan Disbursement..... | 10 |
| III. Disaster Recovery Framework: Operational Support..... | 11 |
| Human Capital And Training Overview..... | 11 |
| Information Technology Overview | 13 |
| Infrastructure Overview | 13 |
| Strategic Support | 14 |
| IV. ODA Roles and Responsibilities | 17 |
| Overview | 17 |
| ODA Headquarters | 18 |
| Customer Service Center | 19 |
| Field Operations Centers | 19 |
| Loan Processing and Disbursement Center | 20 |

| | |
|--------------------------------------------------------------------------------------------------|-----------|
| Personnel and Administrative Support Center..... | 20 |
| Disaster Credit Management System Operations Center..... | 20 |
| Field Inspection Team | 21 |
| V. Office of Disaster Planning: Roles and Responsibilities..... | 23 |
| VI. Forecasting and Modeling..... | 25 |
| Modeling and the Surge Process..... | 27 |
| VII. Surging to Accommodate Need..... | 29 |
| Core Capabilities | 29 |
| Surge Capacity..... | 30 |
| Disaster Recovery Decision Tree | 30 |
| VIII. Communications Plan..... | 33 |
| Target Audiences | 33 |
| Roles and Responsibilities..... | 33 |
| Pre-Disaster Communications Outline | 34 |
| Communications Plan: Surging To Accommodate Need | 35 |
| IX. Plan Improvement..... | 37 |
| X. Appendices..... | 39 |
| Appendix A: Abbreviations..... | 39 |
| Appendix B: Surge Plan | 41 |
| Appendix C: Roles and Responsibilities of Other SBA Offices That Support Disaster Recovery | 45 |
| Appendix D: Major Disaster Lending | 47 |

LIST OF FIGURES

| | |
|----------------------------------------------------------|----|
| Figure 1. Presidentially Declared Disasters | 43 |
| Figure 2. Presidential Declarations for Hurricanes | 4 |
| Figure 3. Seismic Risk | 4 |
| Figure 4. ODA Functional Centers | 16 |
| Figure 5. Overview of Disaster Surge Process | 28 |
| Figure 6. Disaster Decision Tree..... | 29 |

EXECUTIVE SUMMARY

Since its inception in 1953, the U.S. Small Business Administration (SBA) has served to aid, counsel, assist and protect the interests of small businesses. While SBA is generally known for its financial support of small businesses, the Agency also plays a critical role in assisting the victims of natural and other declared disasters. Specifically, SBA provides disaster assistance through its Disaster Loan Program (DLP) to help homeowners, renters, and businesses of all sizes recover from disasters such as earthquakes, hurricanes, floods, and terrorist attacks. As of April 30, 2010, SBA has approved more than 1.9 million loans for over \$48 billion. (See Appendix D.)

SBA's response to catastrophic disasters has five guiding principles. These principles allow the Agency to effectively execute surge plans involving the whole Agency. They are as follows:

- SBA is prepared to respond. SBA has an organizational infrastructure designed to respond to catastrophic disaster activity, swiftly and effectively.
- SBA is trained to respond. Training and coordination are the keys to preparedness. The vast majority of employees involved in SBA's catastrophic disaster response has been trained and will continue to be trained in their roles.
- SBA's response at higher surge levels requires an "all hands on deck" approach. Employees across the entire SBA organization have key roles to play in core functions and are valuable assets to help SBA achieve the level of performance America requires and expects.
- SBA takes pride in quality assurance and customer service. The Agency continuously strives to deliver the highest level of quality of service. Customers will be provided with the necessary support and communication channels to minimize confusion and ensure a positive experience during their time of greatest need.
- SBA's response is coordinated with its government partners. The Agency communicates with local, state, and federal government agencies, including Congress, to deliver timely assistance.

SBA's Disaster Recovery Plan (DRP) supports the following outcomes:

- Support of long-term economic recovery by providing capital to help disaster victims rebuild and withstand economic injury;
- Faster decisions on disaster loan applications, closing and disbursement;
- A customer-focused, transparent, outcome-driven model of performance;
- A strong, standing, core capability supplemented by surge capacity; and
- Processes coordinated with federal guidance and protocols for disaster recovery (e.g., the National Response Framework (NRF) and the National Incident Management System (NIMS), where applicable).

SBA's Disaster Recovery Plan is applicable Agency-wide to ensure a broad scope of coordination, awareness, and support throughout its organization. The DRP comprises the following key sections:

- Section I, Introduction, gives a background on SBA and its role in supporting disaster recovery.
- Section II, Disaster Recovery Framework: The Process, discusses SBA's process for preparing for and processing disaster loan applications, including:
 - Pre-disaster Planning & Preparation;
 - Disaster Declaration & Notification;
 - Application Intake;
 - Loss Verification;
 - Loan Processing; and
 - Closing & Loan Disbursements.
- Section III, Disaster Recovery Framework: Operational Support, delineates SBA's five functional components that scale: (1) human capital, (2) infrastructure, (3) technology, and (4) public/private partnership, all reliant on streamlined (5) communications. SBA has prepared to scale each of these components, depending on the level of response needed for a given disaster. Furthermore, SBA leaders have designed an efficient and cost-effective means for making the best strategic decisions during their surge implementation plan. These components are summarized below:
 - Human Capital (Personnel): Utilize current staff; enlist Reserves and former employees; leverage Office of Disaster Assistance (ODA) contractors; train ODA personnel in loan processing functions, then SBA (non-ODA) staff; engage SBDCs, SCORE, and WBCs in non-loan processing functions (local outreach); hire externally.
 - Infrastructure (Facilities): Expand office space, staff to meet anticipated workload, adjust schedules as needed to accommodate various time zones, employ a double-shift approach to maximize usage of facilities, and leverage assets within the Agency and its resources to respond.
 - Information Technology: Leverage the Disaster Credit Management System (DCMS) core capabilities with oversight measures to ensure that system capacity remains stable.
 - Public/Private Partnerships: Utilize contractors and leverage relationships with other organizations.
 - Communications: Inform citizens of the SBA resources available to them; listen to businesses, chambers of commerce, and citizens; reach out to state, local, and federal partners.
- Section IV, ODA Organizational Roles and Responsibilities, describes the organizational structure, roles and responsibilities of SBA's primary disaster loan offices, including:
 - ODA Headquarters;
 - Disaster Customer Service Center;

- Disaster Field Operations Centers (East and West);
 - Loan Processing and Disbursement Center;
 - Personnel and Administrative Services Center;
 - DCMS Operations Center, and
 - Field Inspection Team.
- Section V, Office of Disaster Planning (ODP) Roles and responsibilities, outlines the planning and readiness mission.
 - Section VI, Forecasting and Modeling, describes the models SBA uses to predict the number of disaster loan applications that will be generated by a particular disaster. Using these forecasting tools allows timely deployment of the resources needed for processing loan applications subsequent to a disaster.
 - Section VII, Surging to Accommodate Need, explains the resources SBA will deploy in response to disasters of different sizes. SBA categorizes disasters into levels based on the number of anticipated applications. This categorization enables SBA to determine an appropriate surge level for scaling resources and operations to meet the needs of disaster victims. Levels I and II are within ODA's core capabilities; for Levels III and IV necessitate an SBA-wide response. The disaster categories are as follows:

| SURGE LEVEL | APPROXIMATE RANGE OF EXPECTED APPLICATIONS |
|--------------------|---------------------------------------------------|
| Level I | 100,000 and below |
| Level II | 100,000 to 250,000 |
| Level III | 250,000 to 500,000 |
| Level IV | 500,000 and above |

- Section VIII, Communications Plan, sets forth the mechanisms for communicating with citizens, state and local officials, federal officials, the media, national business organizations, and other strategic partners during disasters. Although the specific communication plan will vary for each disaster, SBA will apply the same principles for all levels of disaster. The two major objectives guiding the Communications Plan are clear:
 - SBA will inform citizens of SBA services and how to obtain them, and
 - SBA will coordinate operations with other recovery partners.
- Section IX, Plan Improvements, SBA participates in the National Exercise Program managed by the Federal Emergency Management Agency (FEMA), organizes periodic internal exercises, and conducts an annual lessons learned/corrective actions program.

I. INTRODUCTION

The U.S. Small Business Administration was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small businesses, to preserve free competitive enterprise, and to maintain and strengthen the overall economy of our nation. SBA's mission is to promote small business development and entrepreneurship through business financing, government contracting, and management and technical assistance. SBA also works with other federal agencies to reduce the regulatory and paperwork burdens of small businesses. In addition, SBA serves as the government's long-term lender to homeowners, renters, and businesses damaged by disasters.

SBA recognizes that small business is critical to the nation's economic recovery and strength, to building America's future, and to helping the United States compete in today's global marketplace. Although SBA has grown and evolved in the years since it was established in 1953, its bottom line mission remains the same. SBA helps Americans start, build and grow businesses. Through an extensive network of field offices and partnerships with public and private organizations, SBA delivers its services to customers throughout the United States, Puerto Rico, U. S. Virgin Islands, American Samoa, Guam, Northern Mariana Islands, Federated States of Micronesia, and the Republic of the Marshall Islands.

The Small Business Administration is generally known for the financial support it provides to small businesses, but it also plays a critical role in assisting the victims of natural and other disasters. SBA provides disaster assistance through its Disaster Loan Program to help homeowners, renters, and businesses of all sizes recover from disasters such as earthquakes, hurricanes, floods, and terrorist attacks.

As a signatory to the NRF, SBA is a part of the federal government's single comprehensive approach to domestic incident management to prevent, prepare for, respond to, and recover from major disasters. The NRF, using NIMS, provides the guiding principles that enable all response partners to provide a unified national response to disasters and emergencies – from the smallest incident to the largest catastrophe.¹ The NRF establishes a comprehensive, national, all-hazards approach to domestic incident response.¹ The NRF assigns responsibilities to 38 federal entities through 15 Emergency Support Functions (ESF).

The ESFs align categories of resources and provide strategic objectives for their use. NRF structures allow the flexibility to assign ESF resources according to their capabilities, tasking, and requirements to augment and support the overall response and recovery effort in a collaborative manner. Through the ESF structure, federal and state coordinating officials assure coordination and application of resources.

SBA is a primary agency for ESF #14, Long-Term Community Recovery.

SBA is a support agency for three ESFs:

- ESF #5 Emergency Management;
- ESF #6 Mass Care, Emergency Assistance, Housing, and Human Services; and
- ESF #15 External Affairs.

¹ For more on the NRF, see <http://www.fema.gov/emergency/nrf/>.

In addition to the NRF structure, ODA's field personnel coordinate directly with state and local officials to support disasters not warranting activation of the NRF. To enhance these existing channels, SBA's outreach efforts are expanding with the National Emergency Management Association. FEMA's development of a National Disaster Recovery Framework (NDRF)² is also expected to refine federal, state, and local coordination, as well as better integrate federal programs with state efforts (e.g., state-administered bridge loans).

SBA'S ROLE IN DISASTER RECOVERY EFFORTS

SBA, through its Office of Disaster Assistance, is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters, and businesses following a disaster. ODA has been a part of the Agency since its inception in 1953, and has provided more than 1.8 million disaster loans totaling \$47 billion to disaster victims. In addition to its disaster loan program, SBA helps small businesses recover from disasters through its guaranteed lending, technical assistance and procurement programs.

Disaster losses are unexpected and create financial hardships for disaster victims. Fortunately, many disaster victims in America have insurance which covers part or all of their private property losses due to tornadoes, hurricanes, floods, earthquakes, wildfires and other disasters. However, for disaster losses not covered by insurance or other recoveries the primary form of federal financial assistance is a disaster loan from SBA. Disaster loans for property damages are available to homeowners, renters, non-farm businesses of all sizes, and private-nonprofit organizations. Certain private nonprofits and small businesses are also eligible for Economic Injury Disaster Loans (EIDLs) to help with ongoing operating expenses until they recover from the disaster. For many, SBA disaster loans with low interest rates and long repayment terms make recovery possible.

The disaster loan program is administered through a coordinated effort among ODA's headquarters and functional centers: Customer Service Center, East and West Field Operations Centers, Processing and Disbursement Center and the Field Inspection Team, and its support centers: DCMS Operations Center and the Personnel and Administrative Support Center .

PRE-DISASTER PLANNING AND PREPARATION

Most disasters requiring SBA's response are natural disasters; the most demanding responses for SBA are among those resulting from presidentially declared disasters under the Stafford Act. Figure 1 outlines types of expectable disasters and the most likely locations of major disasters based on historical analysis. The destructiveness of disasters varies. While SBA does not dramatically alter its processes based on the type of disaster, the circumstances of the disaster will affect application volume. SBA's DRP is based on historical data and analysis.

² FEMA expects to publish the NDRF in mid-2010. The NDRF outlines Recovery Support Functions (RSF) which parallel the NRF's ESFs. SBA expects to be a primary agency for the economic recovery RSF.

MISSION

To help people recover from disasters and rebuild their lives by providing affordable, timely and accessible financial assistance to homeowners, renters and businesses.

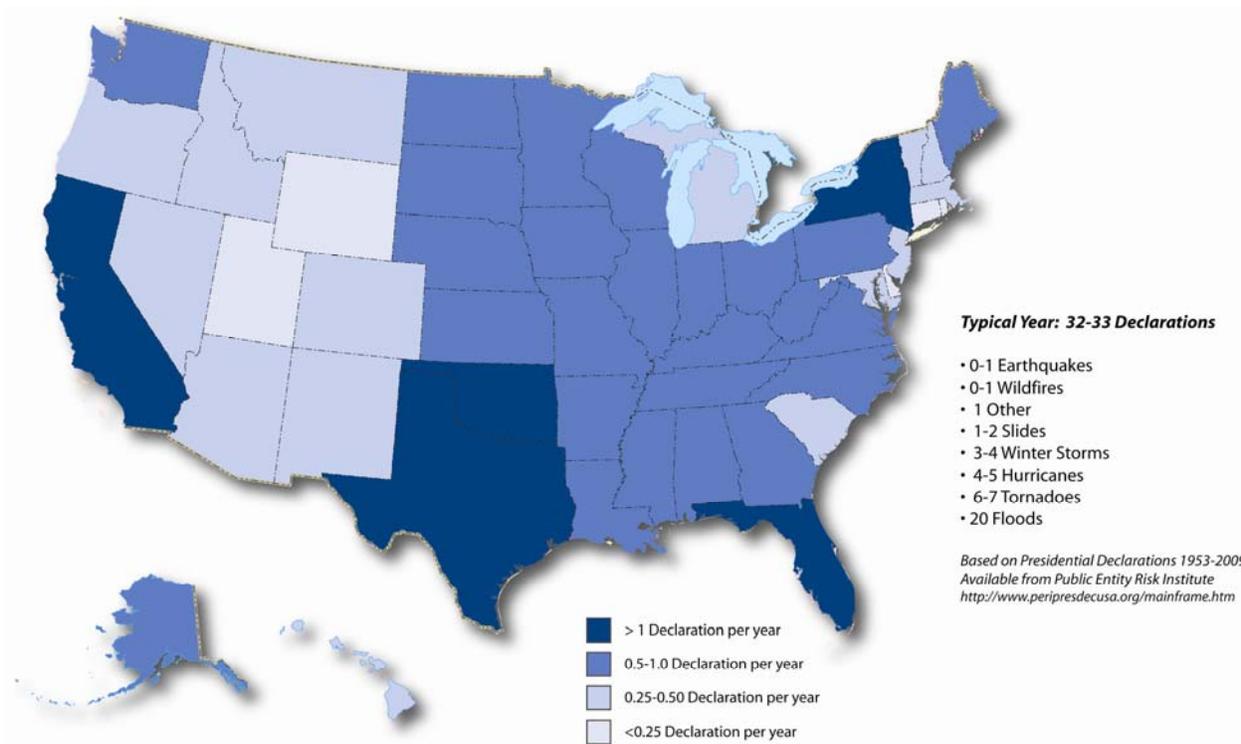


Figure 1. Presidentially Declared Disasters

Several types of natural events can result in serious disasters under the Stafford Act, but not lead to high demand for SBA disaster loans:

- **Tornadoes** are difficult-to-predict weather phenomena that occur primarily in the South and Midwest each spring and summer. Tornadoes generally cause more localized damage than other types of natural weather and they are frequently covered by private hazard insurance. Consequently, SBA's tornado lending is substantially less than that for other types of damage.
- **High Winds** destroy natural and man-made structures, both directly and via material carried through the air that collides with other objects. Such events are typically smaller in scale.
- **Severe Winter Weather** occurs primarily in the northern United States and includes extreme snow and ice. Such events are typically smaller in the number of loan applications generated.
- **Floods** can result from excessive rain or runoff from melting snow, or from a combination of both. Either can result in localized or widespread flooding. Damage can be predicted by the amount of rainfall/snowfall, the nature of the watershed area, and the assets at risk. SBA has ample historical data on floods that it uses for pre-disaster planning and forecasting.

Hurricanes cause damage through a combination of high winds and flooding, but may vary substantially as to levels of damage. Predictions are made based on amount of rainfall, velocity of wind, and level of storm surge (generally the most destructive component). Because a hurricane's effects may cover several states and may occur in quick succession (as in 2005), they constitute one of the most severe challenges to SBA operations. The greatest risks from hurricanes are along the Atlantic and Gulf Coasts of the United States (Figure 2).

Seismic Activity causes damage near fault zones, most frequently on the West Coast. Figure 3, from the U.S. Geological Survey, highlights those areas where serious earthquakes are most likely to occur. Destruction from an earthquake can vary greatly; the map indicates potential risks, but does not predict any specific quake's effect. Most likely to challenge SBA's capacity are serious activity along the New Madrid Seismic Zone and along several faults in California. Once an earthquake has occurred, SBA estimates the number of disaster loan applications expected based on the magnitude.

Other disasters include riots or terrorist attacks. Certain terrorist attacks could constitute a major challenge to SBA operations, but these disasters are generally one-of-a-kind events. Once such a disaster occurs, SBA assesses the situation and employs the best means necessary to respond.

SBA uses this risk analysis to develop risk-based, regionally oriented outreach programs before disasters strike. For example, hurricane-oriented materials are delivered in Regions I, II, III, IV, and VI each year before the start of "hurricane season" on June 1. Earthquake-oriented materials are distributed periodically in Regions IX and X based on West Coast earthquakes and Regions IV, V, VI, and VII based on the risks of the New Madrid Seismic Zone. SBA continues to explore means to better tailor this material to the regions and risks, as well as to better pre-coordinate with state and local governments in areas most likely to be affected.

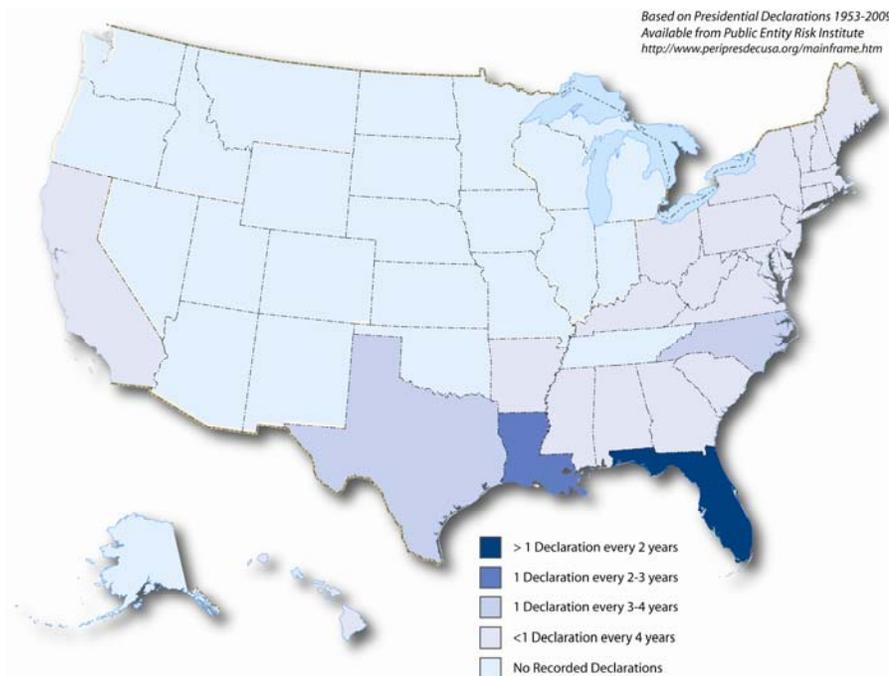


Figure 2. Presidential Declarations for Hurricanes

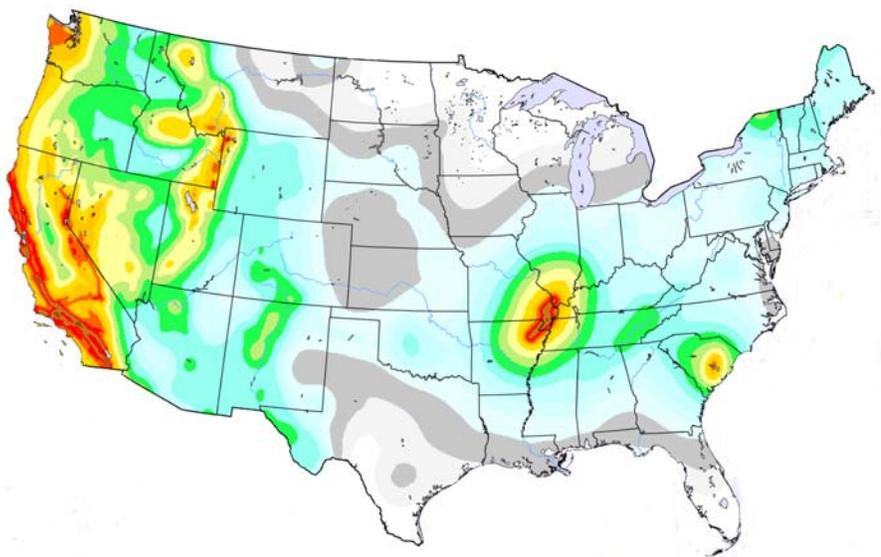


Figure 3. Seismic Risk

Risk analysis and historical trends are also used to appropriately size and tailor planned response to disasters. While in most years, such as Fiscal Year 2009, demand does not exceed 100,000 loan applications, SBA continues to work with FEMA to assess extraordinary risks through modeling, analysis, and exercise. The FEMA-led National Exercise Program periodically looks at such scenarios. SBA is actively involved in the planning and analyses for these and other exercises.³

ENABLING SBA TO MEET FUTURE CHALLENGES

This recovery plan describes SBA's ability to scale its existing operations to effectively respond to disasters requiring varying levels of support. By building on a solid foundation of experienced professionals, proven processes, operational improvements, and lessons learned from the Agency's response to disasters, SBA continually strengthens its disaster recovery capability in response to disasters.

This DRP ensures that SBA's departments, field offices, and governmental partners seamlessly work together to respond quickly to disasters and help communities recover. SBA has scalable systems and the infrastructure in place, including a core steady state of capabilities that can be enhanced based on needs projected through risk modeling.

SBA has five functional components that scale: human capital, infrastructure, partnerships, and technology, with communications ensuring appropriate responses in each. Each component can scale, separately or in concert with the others, according to the surge that is required to meet various levels of disaster.

³ SBA's budgetary process uses five-year averages, which indicate an annual demand of 100,000 loan applications.

II. DISASTER LOAN PROCESS

SBA supports recovery efforts with affordable, timely and accessible financial assistance to eligible homeowners, renters, and businesses following a disaster. Financial assistance is available in the form of low-interest, long-term loans to assist individuals and businesses in their long-term recovery efforts. As discussed in detail in Section VII, Surging to Accommodate Need, SBA has established categories for its disaster response based on the number of loan applications projected. Level I and Level II disasters, in which SBA receives up to about 250,000 loan applications, can be processed effectively using current processes and capabilities. Disasters categorized as Level III (250,000 – 500,000 applications) and Level IV (500,000 applications and above) will require additional surge support, which is detailed in Section VII of this document.

PRE-DISASTER PLANNING AND PREPARATION

SBA's role in a disaster response is different from that of first responders: The agency plays a disaster recovery role. Its first concern is providing loans to victims of a given disaster, whether the disaster is a tornado, hurricane, earthquake, flood, or terrorist attack. This section describes the different types of disasters and how SBA prepares to face them. SBA regularly incorporates historical data to increase the accuracy and efficiency of its pre-disaster planning efforts. Section VI, Forecasting and Modeling, further describes the modeling tools SBA uses to predict loan volume and the corresponding resources needed for loan processing.

Pre-disaster planning for catastrophic disasters helps in the following ways:

- Allows SBA to position resources in a more efficient manner;
- Enhances the speed of SBA's response and its adaptability to specific types of disaster scenarios; and
- SBA learns from each disaster response, incorporating lessons learned to improve future responses.

Most disasters requiring SBA's response are natural disasters. The destructiveness of disasters varies. While SBA does not dramatically alter its processes based on the type of disaster, the circumstances of the disaster will affect application volume. SBA's DRP is based on historical data and analysis.⁴

Forecasting and Modeling - The primary goals of forecasting and modeling are to predict as accurately as possible the loan volume that will result from a disaster and the timing of when the applications will be received. The timing of when loan applications arrive subsequent to a disaster depends on the type and scale of the disaster. SBA's prediction model includes historical intake patterns for the categories of disaster type mentioned above. SBA prepares both before and after disasters occur to apply the appropriate staff and resources. These modeling tools are described more fully in Section VI, Forecasting and Modeling.

Pre-positioning resources - ODA participates in the U.S. Department of Homeland Security's FEMA Regional Response Coordination Centers (RRCC) when they are activated, as a standard operating

⁴ This DRP is supported by numerous other planning efforts throughout SBA, including the Agency's continuity of operations plans, facilities planning, periodic and just-in-time training practices, and systems improvement plans and processes.

procedure. These centers operate around the clock at their highest operational level to prepare for the potential effects of chartable events.

Representatives from all the federal and volunteer agencies that support state and local governments with disaster assistance work out of the RRCC. Staff orchestrates the pre-event staging of personnel, resources, and relief supplies across the potentially affected area in anticipation of the chartable event.

Employment projections – ODA periodically makes employment projections to estimate the number of staff it will need to respond to disasters. Additionally, when a disaster occurs, ODA Center Managers, with input from their Department Managers and data from internal SBA modeling tools, project staffing needs to adequately respond to the disaster. The staffing projections are based on the number of disaster loan applications expected, which is based on the number of disaster-damaged homes and businesses and the geographic range of the damage zone.

ODA continually varies the number of Disaster Reservists required. ODA's Disaster Reserve and former temporary employees provide staffing augmentation as required to manage and process the influx of loan applications following a disaster.

DISASTER DECLARATION AND NOTIFICATION

SBA disaster loans are available when one or more government entities declare that a disaster has occurred. SBA publishes the availability of assistance in the Federal Register. The published notice identifies the kinds of assistance available, the date and nature of the disaster, and the deadline and location for filing loan applications.

There are seven ways disaster declarations are issued that make SBA disaster loans possible:

1. **Presidential Disaster Declarations** - The President declares a Major Disaster and authorizes Individual Assistance (Assistance to Individuals and Households Program) or Public Assistance. The FEMA provides a disaster declaration summary to SBA after it is signed by the President. At that point, SBA's Office of Disaster Assistance issues a disaster declaration notice (after both of the above actions are complete).
2. **Agency Physical Disaster Declarations** - SBA makes a physical disaster declaration, based on the occurrence of at least a minimum amount of physical damage to buildings, machinery, equipment, inventory, homes and other property. Following a request from a state governor, SBA reviews Agency disaster declaration criteria to make an appropriate Agency Disaster Declaration.
3. **Governor Certification (7b2D) Declarations** - SBA makes an economic injury declaration following a governor's certification that at least five small business concerns in a disaster area have suffered substantial economic injury as a result of the disaster and are in need of financial assistance not otherwise available on reasonable terms.
4. **Secretary of Agriculture Declarations** - SBA makes an economic injury disaster declaration in response to a determination of a natural disaster by the Secretary of Agriculture. The Department of Agriculture – Farm Service Agency provides notifications to SBA that it has made emergency loans available.
5. **Secretary of Commerce Declarations** - SBA makes an economic injury disaster declaration in response to a declaration issued by the Secretary of Commerce, regarding certain fishery resource disasters.

6. **Military Reservist Economic Injury Disaster Loan** - SBA may make a Military Reservist Economic Injury Disaster declaration as authorized by the Veterans Entrepreneurship and Small Business Development Act of 1999. SBA makes low interest, fixed rate loans available to a small business employing a military reservist if the reservist is called up to active military duty during a period of military conflict, and he or she is an essential employee critical to the success of the business' daily operation and whose call-up has caused or will cause the business substantial economic injury.
7. **Additional Disaster Assistance** – SBA may declare eligibility for additional disaster assistance in the event of a major disaster that has resulted in extraordinary levels of casualties or damage or disruption, is comparable to the description of a catastrophic incident in the National Recovery Framework, and is of such size and scope that regular disaster assistance is inadequate or a significant number of businesses outside the disaster area have been affected.

APPLICATION INTAKE

Application Screening – SBA disaster loan applications are available at disaster recovery centers (DRC), through the mail, and electronically. When completed loan applications are received, they are first screened for acceptability. Loan officers also review the application to determine repayment ability based on the minimum income level and debts as reported on the application.

Application Entry - Once an application is accepted by Screening, it is sent to Application Entry and recorded in DCMS. The loan application is assessed for credit and repayment ability. Then, a determination is made to advance the loan or decline the loan. Applications that meet the initial credit and repayment threshold are sent on to Loss Verification. After application entry, all application documents are sent to Scanning.

Scanning - The Scanning Department receives input from the Application Entry group, Loan Processing, Loss Verification, Mail Association, inbound faxes, and the Legal Department. After scanning the documents, they are sorted, counted for reporting purposes and prepared for longer term storage as a backup to electronic records consistent with the record-keeping requirements currently in place.

LOSS VERIFICATION

All approved applications for physical disaster loan assistance require on-site inspections. Physical disaster loans are for permanent rebuilding and replacement of uninsured, or under-insured, disaster-damaged, privately owned real and/or personal property.

ODA's Field Inspection Team (FIT) performs inspections to establish the cause and extent of disaster damages. The FIT verifier views disaster-related damages for both real and personal property, and records observations in a report form contained on a portable personal tablet computer. FIT submits the report to guide the Loan Department in establishing eligibility. Section IV, Organizational Roles and Responsibilities, further describes FIT's loss verification duties.

LOAN PROCESSING

Loans are processed in accordance with the regulations and policies that govern the DLP. SBA lends taxpayer funds to disaster victims and must base their decisions on a balance between the needs of the victim and prudent underwriting. Because the interest rate on loans to most borrowers is below the Treasury rate, and the term of the loans goes out as far as 30 years, the loan service costs are often significantly below market loans, thereby broadening the pool of applicants who are able to pay back

SBA loans. Nevertheless, SBA can only make disaster loans to those victims that can demonstrate a reasonable ability to repay the loan.

Loan decisions are based on repayment ability, damage eligibility and credit-worthiness, all of which are analyzed during loan processing. In processing disaster loans SBA can incur risks that many private lenders will not and applies more lenient credit standards than private lenders. At the same time, SBA must adhere to fundamental credit standards and must thoroughly process loan applications to ensure that each loan is likely to be repaid. In Presidential declarations, loan applications that are declined in processing are referred to the FEMA for possible grant assistance.

CLOSING AND LOAN DISBURSEMENT

Once a loan is approved and signed off by the appropriate parties, loan closing documents are completed and sent to the borrower. Borrowers have several options for completing their loan documents, such as:

- Completing the documents by themselves and returning them to SBA.
- Scheduling a loan closing appointment to execute the documents with an SBA representative.
- Contacting SBA by phone to review the loan closing documents.

Secured loans are disbursed in stages that correspond with the borrower's needs. SBA also monitors the use of disaster loan funds to ensure compliance with program guidelines and the terms and conditions of the loan authorization and agreement as these loans are subsidized by the Federal government and the law establishes severe civil penalties for misuse of disaster loan proceeds. When disbursing the real estate portion of a disaster loan, SBA personnel maintain contact with the borrower as necessary to determine an appropriate disbursement schedule and to confirm that construction is progressing as planned. As noted in the Loan Authorization and Agreement the disbursement period on the disaster loan is generally limited to 6 months; however, SBA can extend this period on a case-by-case basis for ongoing projects.

III. DISASTER RECOVERY FRAMEWORK: OPERATIONAL SUPPORT

SBA's operations have five key disaster recovery components that scale: human capital, infrastructure, partnerships, and technology, with communications ensuring appropriate responses in each. Each component can scale, separately or in concert with the others, according to the surge that is required to meet various levels of disaster. These components scale to ensure that SBA can achieve a level of performance consistent with both internal goals and external expectations. Consistent with a surge approach, functional requirements across the key components of the framework increase as the Agency is called upon to respond to the larger application scenarios associated with each catastrophic disaster level. To illustrate this approach this section provides:

- A surge overview by each key component (i.e., human capital, infrastructure, technology, and public/private partnership); and
- Communications are addressed separately in Section VIII.

HUMAN CAPITAL AND TRAINING OVERVIEW

Human capital is the cornerstone of the Agency's disaster response. SBA's human capital augments ODA's staff and Reserve, and stands ready to help as the need expands beyond ODA's resources. SBA's framework recognizes the critical role that disaster employees play in the organization's response capability and the expanding role for the entire SBA organization in a surge. By building on the framework in place, SBA is able to respond to catastrophes even larger than the 2005 Gulf Coast Hurricanes.

ODA provides training for staff and reserves annually. Sessions include: customer service, loan processing, loan closing and disbursement, and field inspections. Regional Administrators, Regional Communication Directors, District and Disaster Public Information Officers receive training focused on crisis communications, dealing with the media, and understanding disaster assistance provided by other Federal agencies. Training includes sessions on best practices in preparedness communications to assist district offices with an effective strategy to target local business owners and residents.

CURRENT ODA STAFF

ODA maintains a staff of 1,000 to 2,000 personnel, depending on operational requirements. Their roles and responsibilities are described fully in Section IV, ODA Roles and Responsibilities.

DISASTER RESERVISTS

ODA maintains reserve lists to keep a running count of employees that are available to report back to work when called. Reserve employees are selected and appointed through competitive procedures to term seasonal/on-call appointments and can be called to duty within 48 hours. Additionally, management has identified certain former ODA employees as resources to call back to service for response to large scale events.

CROSS-TRAINING EXISTING ODA PERSONNEL

In the initial stages of a disaster, ODA will hire and train customer service representatives to staff DRCs, meet with disaster victims, and screen applications. As the disaster activity in the field wanes, these customer service representatives will be cross-trained to process loans in the Dallas-Fort Worth and Sacramento locations or to continue in the field working with disaster victims to help close their SBA disaster loans. ODA has produced training material for loan processing and loan closing surge training.

NON-ODA SURGE STAFF

ODA has trained some non-disaster field staff in loan processing and other disaster assistance functions. By employing this approach, SBA has staff ready for service in temporary roles while the ODA uses its primary resources – the Reserve and former employee lists, contract support, and existing advertising and hiring procedures – to fill positions. This approach allows SBA to respond quickly to catastrophic disaster and, be ready to process disaster loan applications when they arrive. At the same time, this use of non-ODA staff is intended as a loan processing “buffer” rather than a complete solution. While non-ODA personnel are engaged in the loan process for four to six weeks, ODA seeks longer term temporary hires for the same purpose.

SBA leverages internal surge support in a phased approach. The first phase of utilization will encompass internal SBA skill sets that are capable of providing surge capacity in loan processing and post-approval processing. Specifically, this includes:

- District office personnel across the nation that have been identified as having loan processing experience. The majority of these individuals currently hold positions within the Agency as business opportunity specialists and lender relations specialists.
- Office of Capital Access personnel who are located in centers across the nation and who display the skill-set necessary to process disaster loans. The majority of these individuals currently hold positions within the Agency as loan servicing assistants and/or loan specialists.

The second phase of utilization leverages internal SBA skill sets that are capable of providing surge capacity in SBA’s support functions, as well as additional support in SBA’s core functions. Specifically, this will include utilizing staff across SBA’s support areas in the Office of Management and Administration (M&A), Chief Financial Officer (CFO) and Chief Information Officer (CIO), as well as support from offices such as the Office of Government Contracting and Business Development (GCBD), and personnel located throughout SBA headquarters.

Cross training for these personnel will employ materials that have been adapted for nationwide training of non-disaster field office staff in cost-effective locations, as the need arises. ODA will also train surge legal and paralegal staff in loan processing, as necessary.

RESOURCE PARTNERS

During Level I – Level IV responses, SBA leverages its three resource partners – Small Business Development Centers (SBDCs), SCORE Counselors to America’s Small Business, and Women’s Business Centers (WBCs) – as needed. These groups primarily help with local outreach:

- Making potential applicants aware of SBA’s services and handing out disaster loan applications;
- Screening and interviewing – helping applicants complete documents and collect requisite background information; and
- Application assistance.

EXTERNAL HIRING

When SBA cannot meet staffing projections based on the pool of Reserves and other staffing resources, it immediately begins advertising for positions using Public Service Announcements (PSAs) in the locality where employees are needed. If the PSAs do not immediately generate an adequate response, ODA places classified ads, and recruits at local colleges and job fairs. If local recruitment is not sufficient, then ODA

performs a national hiring initiative, placing classified ads in publications throughout major U.S. metropolitan markets.

Additionally, ODA maintains contracts with private sector loan processors that SBA can call upon for assistance for Level III and IV catastrophic events.

QUALITY ASSURANCE

At ODA's Processing and Disbursement Center (PDC), quality assurance focuses on monitoring that the staff is in compliance with SBA Policy, DCMS processing changes, and overall enhanced focus on customer support. Reviews are conducted monthly with a report issued to management.

A Quality Assurance Team, reporting directly to ODA Headquarters, looks for exceptions or departures from stated policy. The Quality Assurance review team performs ongoing reviews of the loan processing and disbursing functions. Additionally, the team conducts any specific reviews requested by management.

The purpose of the Quality Assurance Team is to provide management with accurate and meaningful reports that reflect how the staff has complied with the policies and procedures that govern the disaster loan program. In addition to the ongoing daily reviews that are completed, the Quality Assurance staff also conducts a semi-annual loan charge-off review.

The ODA Customer Service Center (CSC) also has a quality assurance plan for monitoring the various functions of its operation, identifying areas for improvement and identifying training opportunities. ODA provides checklists, job aides, and other training materials to each customer service representative. The CSC monitors communications with customers, in an effort to assure courteous, accurate and professional customer service.

ODA continues to build on the above described quality assurance methodology, employing Quality Assurance/Training Specialists who study and refine ODA's case management system.

UTILIZING DISTRICT OFFICE EMPLOYEES

The Agency is prepared to utilize SBA's nationwide District Office infrastructure to assist increased disaster activity when warranted. District employees have been trained to use DCMS for processing home loan applications and in addition to loan processing, district employees can also be instrumental in coordinating local resources through SBDCs, Chambers of Commerce, and other local professional and charitable organizations to improve outreach and accelerate response in the field. ODA has also trained over 100 additional District Public Information Officers and Regional Communication Directors on understanding the disaster loan program, crisis communications, dealing with the media, best practices and understanding disaster assistance provided by other Federal Agencies.

INFORMATION TECHNOLOGY OVERVIEW

DCMS provides a broad range of geographically-dispersed SBA employees access to the system. Specifically, SBA employees performing surge processing across the Agency's nationwide infrastructure have access to the system to maximize efficiency. DCMS has been tested and verified to support 12,000 concurrent users.

INFRASTRUCTURE OVERVIEW

The Agency has secured over 280,000 sq. ft. of space in multiple locations across the country with 150,000 sq. ft. specifically allocated as permanent space for the PDC in Fort Worth, TX. This space

accommodates a total of 1,750 work stations. Additionally, ODA maintains approximately 20,000 sq. ft. for backup and surge processing in Sacramento, CA which was substantially built out to accommodate approximately 350 work stations. The California space was used as part of the response to the 2008 hurricanes to test the equipment and connectivity in order to ensure that the space is ready if and when it is needed. The Agency is able to immediately ramp up while assessing if additional surge space will be needed. SBA can further capitalize on the existing work stations by implementing the double shift approach⁵ to accommodate more than one employee at each work station. It should also be noted that loss verifiers – who perform their primary duties out in the field – do not require office space in these facilities.

STRATEGIC SUPPORT

The previous sections have explained SBA's process for operational support functions. The last component of SBA's disaster recovery framework, Strategic Support, includes Communications, and Forecasting and Modeling, and Budgeting. SBA's Communications Plan is addressed in Section VIII, and Forecasting and Modeling in Section VI. Budgeting is discussed below.

BUDGETING

Securing sufficient funding for SBA's disaster program administration and lending is a key strategic support function. This process involves two main components: completing the original demand forecast and then carefully monitoring all available data as the situation progresses to determine whether the original forecast needs updating.

SBA's process for tracking disaster fund usage involves a coordinated effort between the ODA and the Office of the CFO (OCFO). ODA develops the initial estimates of disaster loan demand based on the following sources of information:

- Estimated number of referrals from FEMA;
- Historical average rate of applications received as a percentage of FEMA referrals;
- Historical average rate of applications approved;
- Historical average loan size for comparable disaster type (e.g. hurricane); and
- Results from the Internal Demand Forecast Model described in Section VI.

After initial demand levels are established using this approach, SBA determines whether additional (supplemental) funds are needed. If so, SBA works with the Office of Management and Budget (OMB) to request supplemental funds from Congress.

As it begins to process loans following a disaster, ODA tracks the following information for home loans, combination business and EIDL, and stand-alone economic injury disaster loans:

- Total applications received

⁵ A "double-shift" approach means that one set of loan processors works during the day and another at night. So, for example, the PDC, which has 1,750 workstations, is capable of having 3,500 workers (1,750 x 2) during a given period.

- Approved applications
- Withdrawn applications
- Pre-processing declines
- Declined applications
- Applications remaining in process
- Loans closed
- Loans disbursed

From these numbers ODA calculates approval rates and average loan amounts that can be compared to historical averages and recent trends. It also projects actions on applications in-house but not yet processed, and applications projected to be received. Progress on application processing and related activities is tracked weekly or even daily in the case of major disasters. The frequency of reviews and updates to the original forecast depend on the magnitude of the disaster and the availability of funds. The original assumptions and latest data are reviewed and revised by ODA and then reviewed by OCFO. If significant divergence is noted, the information is shared with SBA senior management. Such variances are researched and can trigger an immediate review of the key forecast assumptions if necessary. For minor events where sufficient funds are available, assumptions are only updated every few months.

A tracking report of all disaster loans provides net loan approval amounts, net numbers of loans approved, average loan size, estimated days remaining of funding availability at current average daily rates, program and subsidy amounts used to date, and program and subsidy current available balances.

SBA uses these tracking methods to closely monitor disaster funding requirements and provide timely information to OMB and the congressional offices on disaster budget issues as appropriate.

IV. ODA ROLES AND RESPONSIBILITIES

OVERVIEW

Upon declaration of a disaster, the SBA's assets are immediately put into motion to help with recovery. As an event unfolds, SBA's Office of Disaster Assistance expands office space, calls on staff and reservists to meet the anticipated workload, and adjusts schedules to accommodate the increased workload and various time zones.

The ODA organizational structure and assets are functionally-based and geographically dispersed, minimizing reliance on a single region. While there are additional offices within SBA that support disasters, the primary offices that support a disaster response are as follows:

- **ODA Headquarters** at SBA's central office in Washington, DC.
- A full-service **Customer Service Center (CSC)** located in Buffalo, New York. Disaster victims contact this center when they have questions about their loan application. Services for disaster victims include a call center, e-mail response, disaster application mailing capabilities, and pre-application entry, and the center provides services to the other centers as needed.
- Two disaster **Field Operations Centers (FOC)**: FOC-E (East) is located in Atlanta, Georgia and FOC-W (West) is located in Sacramento, California. The two FOCs are responsible for the coordination of preliminary damage assessments, field operations, information dissemination, and disaster loss verifications outside of the continental United States (OCONUS).
- A centralized loan **Processing and Disbursement Center (PDC)** located in Fort Worth, Texas. The PDC mails out and receives applications, evaluates them, and disburses funds to eligible borrowers. The backup location is in Sacramento, California.
- All located in Herndon, Virginia, the **Personnel and Administrative Services Center (PASC)**, provides administrative and human resource functions, the **Disaster Credit Management Systems (DCMS) Operations Center** oversees the DCMS system, and the **Field Inspection Team (FIT)** provides the loss verification/inspection function within the continental United States (CONUS).

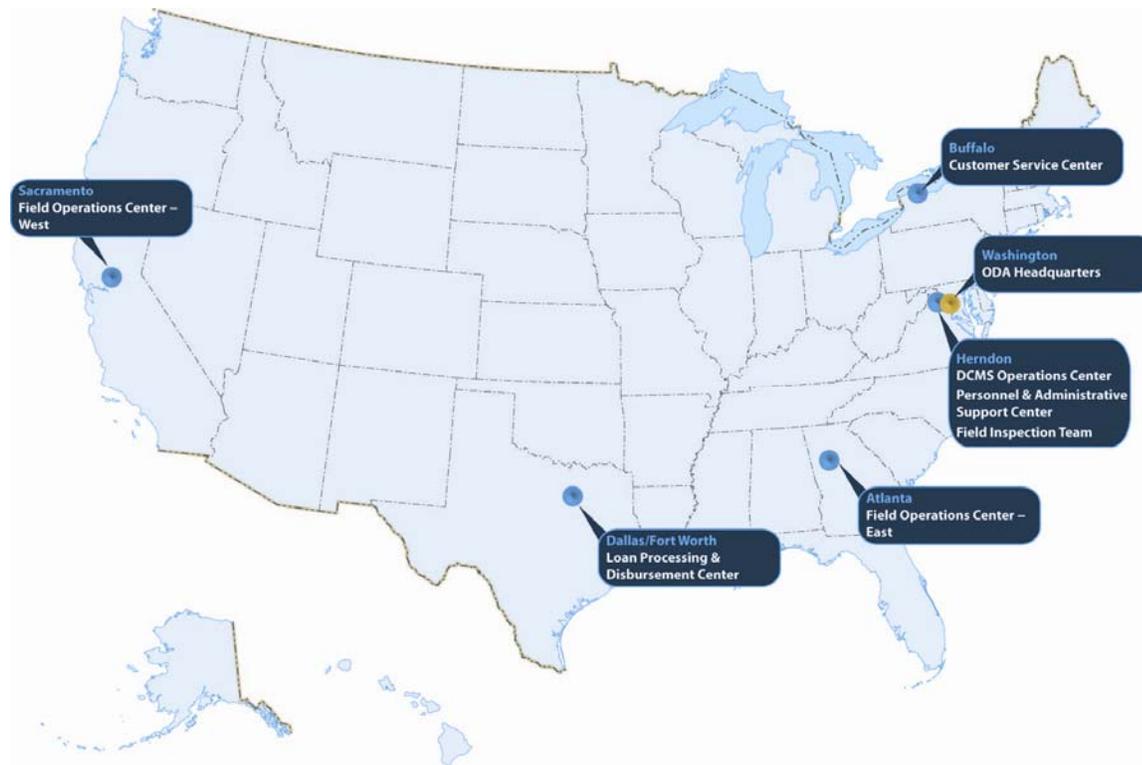


Figure 4. ODA Functional Centers

ODA HEADQUARTERS

This office coordinates and leads disaster responses for Level I and Level II. Level I disasters are smaller in scale and do not generally require SBA Headquarters to be actively engaged on a day-to-day basis. For Level I and Level II disasters, the ODA Headquarters staff performs the following functions:

- Coordinate with FEMA, Congress, Office of Congressional and Legislative Affairs (CLA), and Office of Communications and Public Liaison (OCPL).
- Coordinate and lead information-sharing with all Centers, ODA management, SBA senior management, Regional and District staff, and SBA Resource Partners.
- Participate in or lead meetings and activities with the NRCC, FEMA, and other relevant disaster response teams.
- Assess programmatic needs and project level of activity and budget. Damage estimates are based on surveys, historical information for similar types of events in the state and/or region, information from imaging, state and local reports, media, insurance in force, demographics, and timing of event (e.g., local events, festivals, off season or in season).
- Prepare and publish SBA disaster declaration in the Federal Register following disaster declarations.
- Approve or decline requests for disaster declaration submitted by ODA's Field Operations Centers.

- Review and set policy, procedures and guidelines for all ODA operations.

CUSTOMER SERVICE CENTER

Frequently, disaster victims have questions about how to file or fill out a disaster loan application. Many disaster victims have little experience in completing loan applications. Operationally, ODA supports this need through its CSC, located in Buffalo, New York. It is a single point of contact for disaster victims who have questions about SBA disaster loans. It provides them with the following services: a call center, e-mail response, disaster application mailing capabilities, and pre-application entry.

The CSC baseline state of readiness allows it to adequately respond to Level I and II disasters, representing a workload of approximately 2,000 calls per day or less.

CSC is responsible for the following tasks:

- Determining staffing requirements based on workload projections.
- Based on the forecasted call volume for the new disaster, projecting hourly call patterns using the CSC's Daily Call Forecasting tool.
- Requesting activation of specified number of Disaster Reserve Techs/Specs in the local commuting area in a disaster, when necessary.
- Ensuring Mailbox team and Problem Resolution teams are in place. A specialized team of customer service agents is dedicated to respond to email inquiries received through ODA's Customer Service mailbox (disastercustomerservice@sba.gov). The mailbox team typically has a dual responsibility of manning the Disaster Recovery Center line, a dedicated 800-line for exclusive use by field personnel.

FIELD OPERATIONS CENTERS

FOCs coordinate disaster field operations and reach out to ODA's external partners to publicize ODA's Disaster Loan Program in advance of and following disasters. Outreach targets include FEMA Regional Offices, State Offices of Emergency Services, SBA's Regional Administrators and District Directors, Congressional offices, and SBA's resource partners (SBDCs, SCORE, WBCs, Private Sector Professional Organizations, etc.).

FOCs are responsible for:

- Establishing, staffing, and maintaining field operations onsite in declared disaster areas, including DRCs and SBA Disaster Loan Outreach Centers (DLOCs). DRCs are partnerships between FEMA and SBA.
- Conducting disaster surveys with FEMA, state, and local officials.
- Performing original loss verifications for OCONUS disasters.
- Performing onsite loss re-verifications for CONUS and OCONUS disasters.
- Communicating with media outlets.

- Communicating with Congressional District offices and other elected officials, including proactively conveying SBA's disaster response accomplishments.

Field Operations Center – East (FOC-E) is located in Atlanta, Georgia and serves the states east of the Mississippi River, plus Minnesota, the U.S. Virgin Islands, and the Commonwealth of Puerto Rico.

Field Operations Center – West (FOC-W) is located in Sacramento, California and serves the states west of the Mississippi River (except Minnesota) plus American Samoa, Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, Guam, and Republic of the Marshall Islands.

LOAN PROCESSING AND DISBURSEMENT CENTER

Loans are processed and funds are disbursed at the PDC. PDC employees access the same systems as Customer Service Center employees.

The PDC is responsible for the following functions:

- The mailing of all disaster loan applications requested by victims of a declared disaster.
- The screening for acceptance of all received disaster loan applications.
- Reviewing and processing all accepted disaster loan applications.
- The closing of all approved SBA disaster loans and the disbursement of the disaster loan proceeds.

If the size of a disaster requires a larger response, or if an incident yields the Dallas/Fort Worth PDC facility inoperable, SBA's Sacramento, California location provides backup capability.

PERSONNEL AND ADMINISTRATIVE SUPPORT CENTER

PASC provides the necessary human resources and administrative support functions during a disaster response, including:

- Executing payroll, including filing of all time and attendance forms generated in the field.
- Handling day-to-day procurement needs of ODA centers, with an emphasis on purchasing from local small businesses whenever practicable.
- Making travel arrangements and processing travel vouchers for personnel involved in the disaster response.
- Coordinating with PDC, CSC, and FOCs regarding the supply of English and Spanish applications on hand.

DISASTER CREDIT MANAGEMENT SYSTEM OPERATIONS CENTER

The DCMS Operations Center supports ODA's information technology requirements. The systems supported by the operations center are essential to ODA employees' ability to help disaster victims recover.

The DCMS Operations Center has three departments. The Technical Operations group is responsible for the infrastructure, hardware, network, database, system administration and security issues. The Functional group is responsible for the software applications, planning, development, testing, training and communications, and reports. The third is the Help Desk which is the front line interface to users. The Help Desk is responsible for handling requests, primarily from ODA staff, for assistance with DCMS operational questions and issues.

Much of the activity at the center is monitored through automated routines⁶; the level of support to maintain this capability is currently in place.

DCMS is responsible for the following functions:

- Monitoring, tracking, and analyzing system metrics to keep the system up and operational.
- Procuring, maintaining, and supporting portable computer tablets for FIT and Loss Verification to use in disaster locations.
- Closely monitoring tablet inventory for FIT in order to procure additional units, with sufficient reserve if needed.
- Completing upgrades and reprogramming requests to address operational needs and process improvements
- Assessing system capacity during a disaster and executing surge plans to expand capacity if necessary. Specific triggers have been identified to indicate when the system is reaching capacity.
- Ensuring connectivity of disaster recovery satellite offices.

The DCMS Operations Center in Herndon, VA gives 12,000 personnel the ability to use the system simultaneously. A redundant DCMS Operations Center in Irvine, California serves as a backup, should the Herndon Center be incapacitated; it also has capacity for 12,000 concurrent users.

FIELD INSPECTION TEAM

FIT verifies the cause and extent of physical damages to borrower's property. It is responsible for completing all original loss verification reports in the continental United States. All approved applications for physical disaster loan assistance require on-site inspections. Physical disaster loans are for permanent rebuilding and replacement of uninsured, or under-insured, disaster-damaged, privately owned real and/or personal property. SBA's physical disaster loans are available to homeowners, renters, businesses of all sizes, and nonprofit organizations. The FIT's verification report is an essential element in the loan making process that guides the Loan Department in establishing eligibility.

The FIT verifier views disaster-related damages for both real and personal property, and records observations in a report form contained on a portable personal tablet computer. The FIT verifier has specific responsibilities that include, but are not limited to: determining the estimated cost of repair or replacement of real, personal and business property; providing information gathered during the on-site

⁶ A routine is a series of computer instructions for performing a specific, limited task.

inspection to guide SBA loan officers in establishing eligibility within program guidelines; and estimating replacement and pre-disaster Fair Market Value of property.

V. OFFICE OF DISASTER PLANNING: ROLES AND RESPONSIBILITIES

ODP ensures disaster planning and readiness for the SBA and the efficient use of resources. The Director of ODP coordinates the efforts of other SBA offices both internally and external to SBA to execute disaster response and recovery as directed by the Administrator. Specific functions include:

- Creating, maintaining, and implementing the comprehensive disaster recovery plan of the Administration;
- Ensuring there are in-service and pre-service training procedures for the disaster response staff of the Administration;
- Coordinating and directing the training exercises of the Administration relating to disasters, including disaster simulation exercises and disaster exercises coordinated with other government departments and agencies; and
- Other responsibilities relevant to disaster planning and readiness, as determined by the Administrator.

VI. FORECASTING AND MODELING

The primary goal of forecasting and modeling is to predict as accurately as possible the loan volume that will result from a disaster, so that SBA can plan an appropriate disaster response effort. Obtaining reliable information about the number of disaster loan applications a given disaster will generate will have positive outcomes throughout SBA's disaster response process. Modeling, simulating potential damage and effects of disasters and leveraging historical disaster information, provides SBA with insight to the necessary, appropriate, and most efficient response.

For disaster planning, SBA employs two internal models. The first model draws on readily available economic and demographic data from outside sources and combines this information with historical SBA experience to predict loan volume demand expected from a given disaster. This information is used as a source of data for decision-making regarding whether SBA has sufficient disaster loan authority available or will require a supplemental appropriation. The loan demand forecast from the first model will also be used as an input to the second internal model. The second model forecasts the level and timing of staffing requirements.

The assumptions in these forecasting models are actively updated throughout an event as conditions change and more information about the specific situation becomes available. SBA recognizes the added value of external modeling approaches, and will use information from FEMA's HAZUS modeling process to provide additional, event-specific information that will refine and improve SBA's ongoing response. SBA has further incorporated HAZUS into its overall modeling process to independently validate the outputs from its internal modeling tools. Where internal modeling and HAZUS are insufficient, such as in projecting the effects of terror acts or analyzing the presence of insurance in a particular community; SBA will turn to additional external modeling resources to augment its capability.

The data outputs from the models described below inform SBA leaders in making decisions in the areas of human capital, infrastructure, technology, partnership needs, and communications. These tools are critical to SBA in designing a surge implementation plan that is both successful and cost-effective.

- **Internal Demand Forecast Model** – This model is designed to estimate the dollar amount of disaster assistance loans that will be made in response to the next large disaster, based on the information available at the time the disaster occurs.

When a disaster takes place, reliable information is available about the counties likely to be affected. To translate these geographical areas into likely loan volume estimates, the model has an internal database of economic, demographic, and physical data for each of 3,300 counties (or equivalents), including a proxy for the assets at risk, and equations to estimate loan volumes from measures of assets at risk and disaster severity. It also has historical information about the loan volumes and characteristics for each of the large historical disasters to provide a basis for comparison.

Using the database and equations allows the agency to identify one or more scenarios involving the individual counties affected and the severity of the disaster. Then, this information is translated into alternative estimates of the potential loan volumes that might result. As more information about the size of the impact area becomes available, the estimates can be refined.

- **Internal Resource Requirements Model** – This model is designed to forecast the staffing levels necessary for SBA to handle a wide range of disaster events. Key assumptions and inputs to the model include the following:

- The target application review and decision timeframe;
- The requirements for specialized staff skills such as loss verification, loan processing, and legal review in the application process;
- Staff productivity and training requirements;
- The total expected loan volume; and
- The type of disaster.

Using this information, the model forecasts the staff necessary, by specific skill area, to meet the targeted loan application review time on a weekly basis following the disaster event. The model can also be reversed to show the backlog in applications generated by a given set of available staff.

The most critical assumptions in the model include the estimate of applications expected, the expectation regarding the timing of the receipt of the applications (the “intake curve”) and the staff productivity. The estimate of expected applications leverages the information from the initial risk assessment that is led by FEMA and includes input from other agencies, including SBA. Equally important to knowing the total volume of loan applications is having a strong understanding of the timing of application receipt. SBA’s analysis has shown that the loan application “intake curve” depends on the type and scale of the disaster. Therefore, the model includes historical intake patterns for six categories of disaster type and scale (e.g. disasters with less than 5,000 applications, earthquakes, floods, etc.). This timing information is an important factor in determining when staff will be needed and how the resources will be deployed. Finally, staff productivity is a significant factor in the model but difficult to measure. The productivity estimates are based on a mix of data and expert opinion.

SBA's staffing modeling is based primarily on the notion that the entire SBA loan volume is not received immediately. Particularly given the variable nature of catastrophic disaster events and their effect on populations, each disaster will have its own characteristics and the application flow will reflect those. SBA's modeling has looked at historical disaster events to determine the most likely application flow that will result from various events. At the onset of a disaster scenario, SBA will apply its initial modeling results against the staffing model in order to determine the resource and staffing needs as well as the appropriate, situation-specific surge plan.

- **FEMA’s HAZUS Model** – HAZUS is a Geographical Information Systems based system created by FEMA that enables decision-making in disaster preparedness, response, and recovery by projecting the impact of disasters and also by projecting potential losses that will result from these disasters. SBA uses HAZUS to evaluate the various impacts that hurricane, flood, and earthquake disaster scenarios will have on different parts of the United States. The results from the evaluation of these scenarios provide essential information that SBA uses to determine the scope of its disaster response effort and to further refine its disaster response processes. Specifically, SBA culls information about disaster scope; uninsured property loss; persons displaced; businesses displaced; physical property loss; and demographic information. This information is useful both for relative adjustments to the specific disaster response and for long-term refinement to the entire SBA disaster response process.

Further, HAZUS helps SBA integrate with the operations of other governmental organizations (such as FEMA and many state governments and local governments that use the program for their

emergency response). It provides SBA a real-time ability to track disasters as they occur and rapidly react to changes in scenarios. In certain “what if” scenarios (i.e., “what if a Category 4 hurricane hit Jacksonville, Florida?”), SBA uses information from HAZUS that is useful in predicting what SBA’s response must be in situations like these.

ODA has joined with the Department of Homeland Security (DHS), FEMA, and other federal partners in the disaster response community to establish the first ever GeoCONOPS (Geospatial Concept of Operations). GeoCONOPS is a multiyear effort focused on the geospatial and modeling communities supporting DHS and the emergency management activities under the NRF. The GeoCONOPS is currently in review by FEMA for adoption by NIMS.

In addition to SBA’s participation in the GeoCONOPS community, the ODA has developed a close working relationship with the HAZUS user community and HAZUS model developers. Through this partnership, ODA has refined and enhanced its use of HAZUS model outputs in order to provide more accurate and actionable information from both internal HAZUS models and FEMA’s official model results in response to disaster specific scenarios. These improvements streamlined ODA’s efforts in determining staffing and resource requirements to support a wide range of disaster events.

MODELING AND THE SURGE PROCESS

Modeling the impacts associated with catastrophic disasters is a fundamental element of the surge process. Modeling takes place leading up to and during a catastrophic event and continues to have a role throughout the surge process.

When a disaster appears to be so large that it will overcome the core capabilities of the ODA, modeling techniques are essential in gauging the level of surge and scale needed to enhance SBA’s core. Because models provide only estimates, actual surge decisions ultimately rest on judgment. Each level of SBA’s surge plan is bounded by an estimate of approximate application volume, but simply having an estimate of such volume is not an automatic trigger for assuming a particular surge level.

The following are areas in which modeling is used to spur and support the surge process:

- **Initial Severity Assessment** – SBA uses internal modeling to conduct a severity assessment of any disaster situation. This takes place prior to surge (and, when possible, prior to the disaster event) and is used to determine the expected level of surge that is required.
- **Early Return Modeling** – Within the first two weeks of surge, SBA uses internal modeling as well as information from HAZUS and external modeling providers to determine the accuracy of initial estimates and any unforeseen circumstances that have resulted from the disaster activity. This is particularly important in catastrophic scenarios in which SBA must concurrently manage the influx of loan applications from multiple disasters. SBA uses this early return modeling to help plan staffing and other requirements.
- **Location Modeling/Resource Allocation** – SBA’s modeling capabilities are useful in determining the ideal physical locations at which to locate surge employees and assist SBA in focusing its efforts in the appropriate geographic regions.
- **Real-Time Assessment** – Throughout the surge process, modeling continues to be performed to provide real-time assessment of the efficiency of the SBA surge response and to provide suggestions and opportunities for streamlining the response and improving the surge.

- **End-of-Surge Modeling** – Modeling is instrumental in determining the appropriate time to “end” the surge phase of SBA disaster response and also to discern any “Lessons Learned” or best practices that resulted from the surge effort.

VII. SURGING TO ACCOMMODATE NEED

The size of a disaster affects the number of loan requests SBA receives, and consequently the resources SBA must activate to serve its customers. While the 2005 Gulf Coast Hurricanes represent the highest level of catastrophic disaster activity that SBA has faced to date, the Agency is now prepared to serve the needs of disaster victims at even greater levels of catastrophic disaster activity.

Disasters are categorized into levels based on estimates of the number of anticipated applications. This categorization enables SBA to determine an appropriate surge level for scaling resources and operations to meet the needs of disaster victims. The disaster categories are shown in Table 1.

Table 1. Estimated Loan Application Quantity

| SURGE LEVEL | APPROXIMATE RANGE OF EXPECTED APPLICATIONS |
|--------------------|---------------------------------------------------|
| Level I | 100,000 and below |
| Level II | 100,000 to 250,000 |
| Level III | 250,000 to 500,000 |
| Level IV | 500,000 and above |

CORE CAPABILITIES

In an average year, the majority of disasters result in fewer than 100,000 loan applications. As a general practice, and based on the experience of SBA's disaster assistance program, SBA can address the needs of disaster victims for incidents up to catastrophic Levels I and II using ODA's core capability. Catastrophic Level III and Level IV represent scenarios that require SBA to leverage strategies and solutions across the SBA organization, or outside of the SBA organization.

ODA uses modeling tools to determine shortly after a major event whether the volume of loan applications from any given disaster likely will overwhelm its core capability. Scaling the SBA operation to a Level III or IV will require Agency-wide support to adequately fulfill the needs of SBA's customers within desired performance parameters. With an understanding of current capacity levels and potential activity increase, ODA immediately and proactively requests additional SBA resources and support from the SBA Administrator. This section further specifies the surge plan that SBA will employ at each defined level of catastrophic disaster.

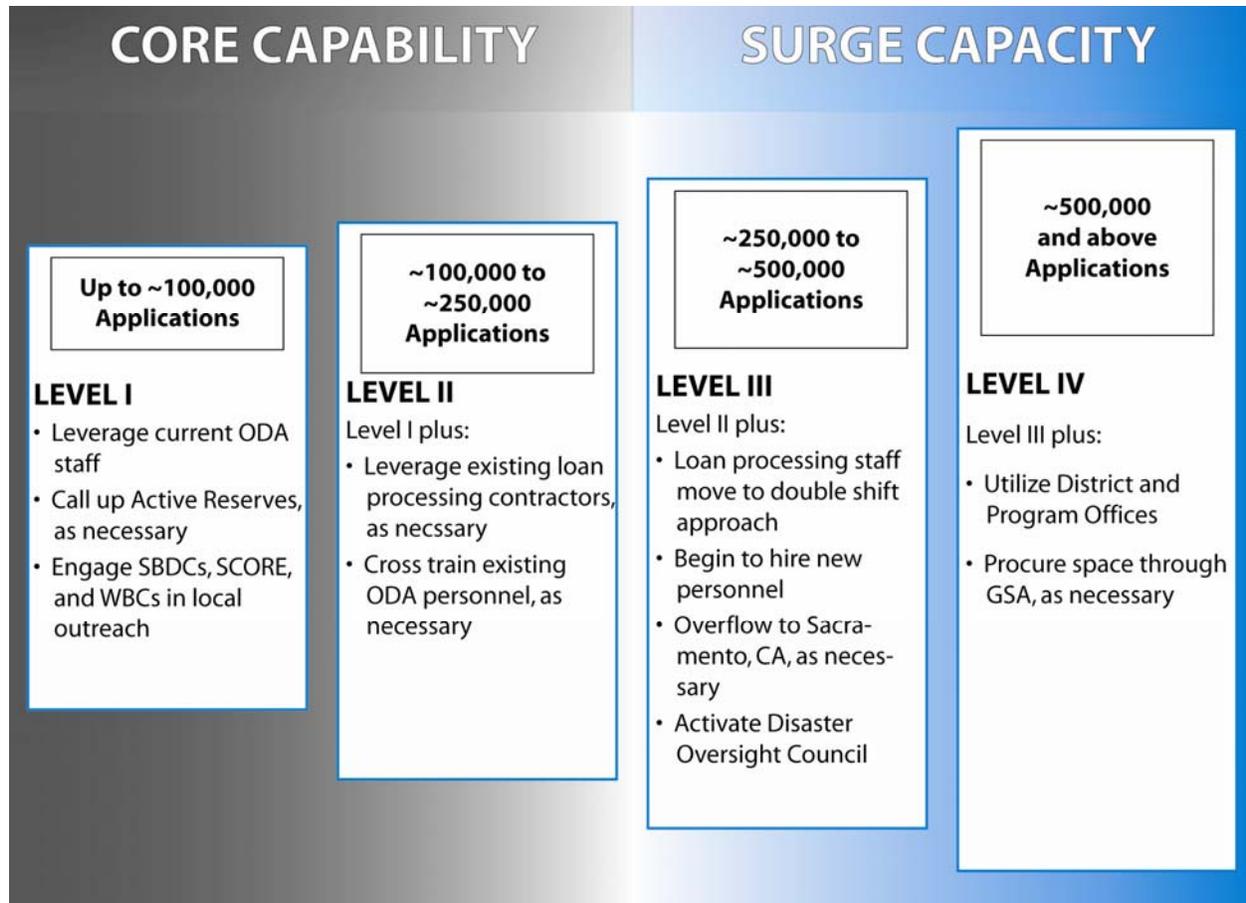


Figure 5. Overview of Disaster Surge Process

SURGE CAPACITY

When a disaster declaration occurs, SBA will experience an increase in the number and amount of loan applications. The more widespread or severe a disaster, the larger the number of homeowners and business that will be impacted, and the larger the level of operational surge for which SBA must plan.

Figure 6 illustrates how SBA scales to meet the requirements of each level. More detail on the specific surge activities can be found in the detailed descriptions of each level at Appendix B.

DISASTER RECOVERY DECISION TREE

SBA's Disaster Recovery Decision Tree (see Figure 7) depicts the decisions that SBA executives make in responding to a given disaster. First, the Associate Administrator for Disaster Assistance assesses whether a disaster can be handled by SBA's core capability, or whether the Agency must surge. ODA's core capability suffices for disasters that generate less than 100,000 applications (Level I) and disasters that generate between 100,000 and 250,000 applications (Level II). If the AA/ODA decides that core capability will initially suffice, the members of the Disaster Oversight Council continually monitor the situation. If expected loan applications exceed approximately 250,000 initially or during the course of a disaster, the AA/ODA will discuss with the membership of the Disaster Oversight Council whether to make a surge recommendation to the Administrator. A surge is not executed merely because a specified number of applications has been projected. Elevating the Agency to a surge level of response is a specific decision to be made by the Administrator after considering all factors. SBA operates at surge capacity

during and after disasters that generate between 250,000 and 500,000 applications (Level III) and disasters that generate more than 500,000 applications (Level IV).

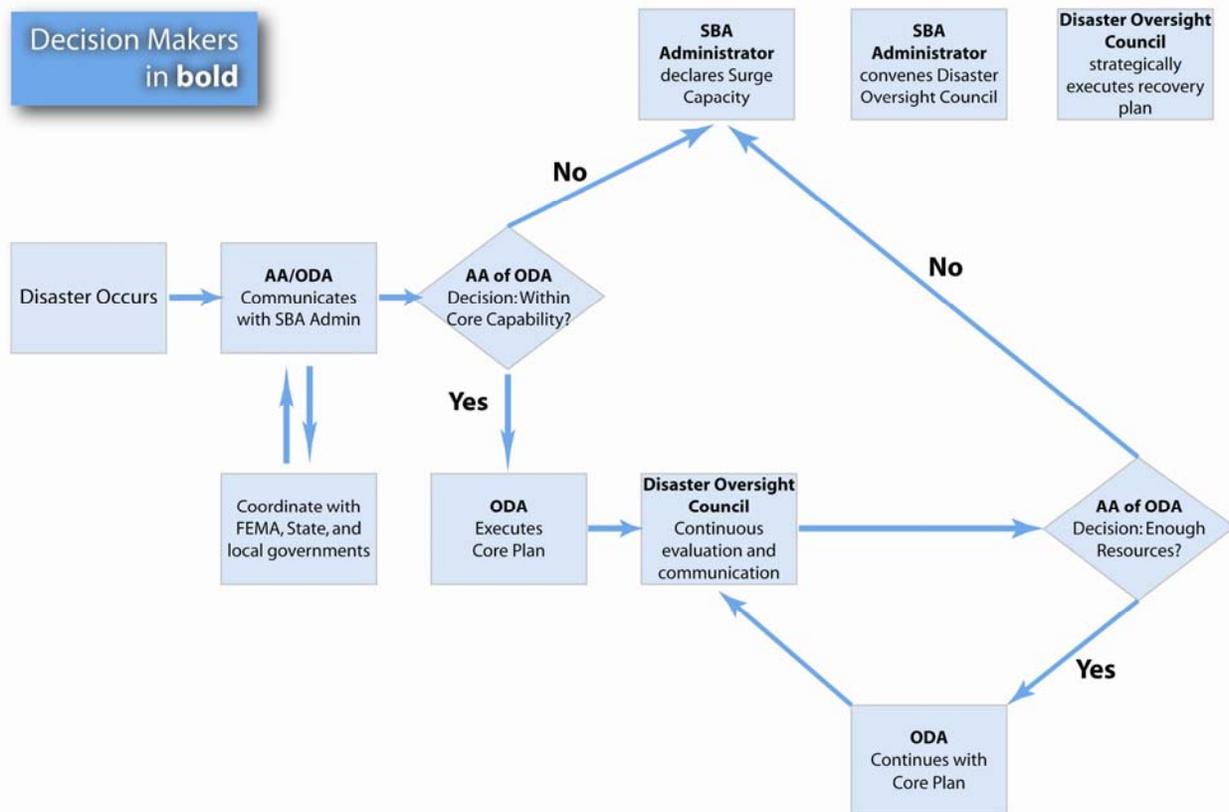


Figure 6. Disaster Decision Tree

When a surge is required, the authority for strategic management of the disaster response is elevated from the Associate Administrator of ODA to the Disaster Oversight Council. The Disaster Oversight Council consists of:

- Administrator (or designee, chair)
- Deputy Administrator
- Chief of Staff (COS)
- Chief Operating Officer (COO)
- Chief Financial Officer (CFO)
- General Counsel (GC)
- Assistant Administrator of CLA (AA/CLA)
- Associate Administrator of ODA (AA/ODA),

- Associate Administrator of the Office of Field Operations (AA/OFO),
- Associate Administrator of the Office of Capital Access (AA/OCA),
- Associate Administrator of GCBD (AA/GCBD),
- Associate Administrator of Entrepreneurial Development (AA/ED),
- Assistant Administrator of the OCPL (AA/OCPL),
- Associate Administrator for Management and Administration (AA/M&A),
- Chief Information Officer (CIO), and
- Director, ODP.

During a surge, the Disaster Oversight Council coordinates, as needed and usually through normal, day-to-day processes, to direct and support ODA's centers and all of SBA's resources to ensure an adequate response. Accordingly, SBA rapidly expands office space, augments staff to meet the anticipated workload, adjusts schedules, employs a double-shift approach, and works with resource partners (SBDCs, SCORE, WBCs) as necessary to respond effectively.

VIII. COMMUNICATIONS PLAN

In a disaster situation, SBA plays an essential role in restoring the affected area's economic health and vitality. Each year SBA handles tens of thousands of disaster loan applications for small businesses, homeowners, and renters to help them return to their pre-disaster standard of life. Ensuring accurate, timely, and consistent information exchange between disaster victims and the government institutions upon which they rely is a vital part of SBA's disaster recovery mission. SBA has developed a graduated plan that brings greater communications resources to bear as the event size increases.

TARGET AUDIENCES

SBA will provide accurate, timely, and consistent information to several audiences simultaneously. Stakeholders have been classified in the following categories, including the communication objective for each constituent group:

- **Disaster Victims and SBA Customers:** Provide accurate, timely, and consistent information on contacting SBA, Agency services (especially about how to apply for disaster loans), and how to ease the application process.
- **State & Local Officials:** Provide accurate, timely, and consistent information about SBA's services, how to access them, and the status of SBA operations in their area (with ongoing status reports throughout the process).
- **Federal and Congressional Officials:** SBA maintains partnerships with FEMA, DHS, and other federal partners to ensure smooth recovery operations. These partners understand SBA's role in supporting disaster recovery and remain in close contact throughout a recovery operation through ODA, ODP, and other channels. SBA coordinates with agency partners that offer financial assistance programs that would impact SBA benefits. As necessary, CLA, in coordination with appropriate other SBA elements, will explain how SBA is responding to particular events to Congressional delegations.
- **National, Regional, and Local Media Outlets:** Enhance strong relationships with media to facilitate dissemination of SBA's message, provide an accurate picture of SBA operations, and encourage reasonable expectations as to what the Agency can and cannot do.
- **National Business & Government Associations:** Partner with economic development organizations, non-profits, and government associations to provide additional channels for increasing awareness of SBA services and aid in economic recovery.
- **Strategic Partners:** Partner with economic development organizations, non-profits, and SBA resource partners to provide additional channels for increasing the awareness of SBA services and aid in economic recovery.

ROLES AND RESPONSIBILITIES

AA/OCPL is responsible for all communications and creates the Agency's communications-related policy, for both normal and disaster operations. As part of this responsibility, OCPL creates the Agency's core messages to ensure customers and government entities understand SBA's mission, capabilities, and services. OCPL disseminates the messages at the national level and to SBA Field and Disaster Offices for local distribution.

AA/CLA is responsible for SBA's communications with members of Congress and their staffs. CLA responds to Congressional inquiries and seeks to keep members informed of SBA's recovery activities. CLA focuses on members of the districts affected by the disaster to ensure their constituents' needs are addressed, as well as members of the authorizing and appropriating congressional committees to ensure resource needs are well understood.

SBA's interaction with its customers and state and local stakeholders is led by regional and district public affairs personnel. These personnel maintain up-to-date contact with state, county, and municipal officials to educate them on SBA's role in disaster recovery prior to a disaster, and to facilitate recovery operations afterwards. They also maintain contact lists for local media outlets to ensure the public is aware of SBA's services and how they can be accessed. Field Office personnel have established relationships with local development organizations and professional organizations (e.g., civic organizations, Chambers of Commerce), who will often be the first point of contact for local business leaders in the event of disaster.

SBA also retains a robust crisis communications capability within ODA, with dedicated Public Information Officers (PIOs) at its FOC (East & West). When a disaster occurs, these experienced professionals deploy to the on-site Joint Information Center (JIC) alongside personnel from FEMA and other federal agencies to facilitate intra-government communications. ODA Field Communication Managers also lead the interaction with the local media outlets to answer inquiries and inform the public of SBA activities.

SBA employees have received significant training in crisis communications and public relations and are well prepared to interact with affected customers, federal, state and local officials, and the media. SBA has created communications materials, which will be disseminated immediately in the event of a disaster.

PRE-DISASTER COMMUNICATIONS OUTLINE

Pro-active communication, before disasters occur, is central to SBA's strategy. These "pre-disaster" communications are not specific to any one disaster, but are general preparations. To this end, OCPL:

1. In coordination with ODA,
 - a. Initiates SBA-wide training for all public affairs staff related to handling disasters in their districts.
 - b. With DHS and FEMA, establishes seasonal pen and pad briefings for national media on disaster-related issues.
 - c. To the extent practical, provides region-specific materials on disaster loan programs (e.g., hurricane-relevant releases each year in Regions I, II, III, IV, and VI prior to June 1).
 - d. Conducts regional-specific marketing and outreach through the National Emergency Management Association, SBA resource partners, and others.⁷
2. In conjunction with ODA, ODP, and CLA,

⁷ SBA continues to expand outreach efforts to ensure the public in all regions of the country are more aware of SBA disaster assistance programs before disaster strikes. For example, ODA participates in the annual SBDC conference to discuss the disaster program with State directors.

- a. Develops and disseminates basic materials explaining SBA's disaster services to all levels of government and media;
- b. Enacts an earned media campaign (media tour) with a paid media option (advertisements): FOCs circulate tips and relevant information to hurricane states during the month before hurricane season, in coordination with OCPL.

COMMUNICATIONS PLAN: SURGING TO ACCOMMODATE NEED

This communications plan outlines the course of events for communicating prior to and during the execution of recovery operations; it has two major objectives:

1. Educating customers about SBA services and how to use them.
2. Facilitating operations with other recovery partners.

The plan is aligned with the Emergency Support Function-15 Standard Operating Procedure established by DHS, enabling communications through NIMS.

LEVEL I DISASTER COMMUNICATIONS

In the case of disasters such as hurricanes, where there is the opportunity to prepare for a disaster before it occurs, the ODA PIO reviews the communications operating procedures, sets an initial communication strategy, and creates requisite disaster-specific materials. For other disasters, such as tornadoes, SBA begins its recovery operations once the disaster declaration has been issued.

ODA PIOs contact the affected regional and district offices at the onset of a disaster. The public affairs personnel at the regional and district levels immediately reach out to local officials to inform them of classification of the disaster and what services SBA will provide to assist in the recovery. SBA maintains a Disaster Toolbox for the field representatives to use in the period immediately following a disaster that contains ready-to-use materials providing basic information on SBA disaster loan services.⁸

The PIOs entering the area to begin recovery operations and SBA's field assets coordinate communications to the media in order to deliver a coherent message to the local population. These communications occur daily until recovery operations end and at community events. Once in the affected area, the PIOs, working with local District Directors, lead the communications efforts with federal, state, and local stakeholders from the JIC. They provide trained spokespeople to interact with local media outlets in order to further disseminate SBA's message. The PIOs interact closely with FEMA's Community Relations staff to coordinate outreach actions. ODA personnel also interact with congressional officials visiting the affected area.

During Level I disasters, the OCPL provides communications oversight in order to ensure SBA's customers and stakeholders receive accurate, timely, and consistent information. When required, OCPL staff interacts with national media. The OCPL also serves as an additional communications resource to internal SBA operations such as PDC, and other federal agencies, primarily with contacts in the Washington, DC area.

⁸ <http://yes2007.sba.gov/resources/disastertoolbox/Pages/default.aspx>

CLA retains oversight of responses to congressional inquiries, interacts directly with members and their staffs in the Washington, DC area, and ensures that members visiting the affected area receive an accurate picture of SBA operations. The PIOs provide information to members of Congress who are visiting the affected area.

LEVEL II, III, AND IV DISASTER COMMUNICATIONS

For Level II disasters, the same concept of operations and basic sequence of events applies. However, the AA/OCPL is responsible for coordinating all internal and external communications in the event of a *major, catastrophic disaster event (Levels III and IV)*. All external messaging, to include press releases and information sharing with various local, tribal, state and other federal government agencies will be coordinated and approved by OCPL. This includes coordination of messaging from all SBA regional and district field offices, as well as ODA disaster center offices. The coordination of this messaging is important during catastrophic events in order to ensure that the agency stays on message and is providing the most accurate and up-to-date information to the public. The SBA Administrator, in consultation with the AA/OCPL, AA/ODA, and AA/OFO will monitor the ongoing disaster situation to determine the appropriate level of communications necessary, as well as ensure that appropriate and timely coordination is taking place with ODA center personnel and the impacted SBA field offices.

OCPL may choose to set up a centralized communications function at SBA headquarters in Washington, DC or other necessary location in response to any disaster on the high end of Level II and for all Level III and IV events. Such centralization can increase the Agency's ability to conduct recovery operations and reach out to its customers. It provides a clearinghouse for Agency communications to create a clear picture of SBA recovery operations. The AA/OCPL can also deploy headquarters personnel to the JIC to facilitate information flow between the headquarters and on-site activities.

During surges (Level III and IV), OCPL takes on broader communication responsibilities. To that end, a clearinghouse would respond to inquiries regarding the laws and policies that govern SBA recovery operations and all media inquiries that do not originate from the affected area. It would serve as the main communications hub within SBA, for federal partners, and for members of Congress.

IX. PLAN IMPROVEMENT

To maintain its readiness at the highest possible level, SBA participates in the National Exercise Program managed by FEMA, organizes periodic internal exercises, and conducts an annual lessons learned/corrective actions program. ODP manages these activities in close coordination with ODA and other elements of SBA.

- **National Exercise Program:** FEMA manages a multi-tier national exercise program that integrates annual National Level Exercises focused on the majority of federal government departments and agencies (as well as appropriate state and local participants), major federal interagency exercises, quarterly tabletop exercises for Cabinet-level officials and other principals, and coordinated state and local exercises. SBA participates in all of these exercises, as appropriate, when the objectives and scenarios support.
- **Internal Exercises:** The original DRP was developed based on overall SBA disaster experience, the specific lessons learned from the 2005 Gulf hurricanes and an internal 2007 tabletop exercise. This latest edition adds lessons learned from other leadership exercises and subsequent disaster experiences. Technical tests of DCMS and other systems have been conducted, as well. Further exercises, drills, and tests will be conducted periodically to address evolving and developing issues. This includes biennial exercises for SBA senior leadership and disaster reserves, as well as tests of telecommunications systems.
- **Lessons Learned:** Annually, ODP will conduct a cross-agency review of lessons learned from disaster responses and exercises. Typically, this review will occur during the winter months when disaster activity is historically at a minimum, but additional reviews may be conducted at any time when justified by circumstances. Based upon this review, ODP will publish a plan containing specific objectives and timelines. In conjunction with this review, ODP will coordinate an annual update of the DRP.

X. APPENDICES

APPENDIX A: ABBREVIATIONS

| | |
|-----------|-----------------------------------------------------------|
| AA | Associate Administrator or Assistant Administrator |
| CFO | Chief Financial Officer |
| CIO | Chief Information Officer |
| CLA | Office of Congressional and Legislative Affairs |
| CONUS | Continental United States |
| COO | Chief Operating Officer |
| COS | Chief of Staff |
| CSC | Customer Service Center |
| DCMS | Disaster Credit Management System |
| DHS | U.S. Department of Homeland Security |
| DLOC | Disaster Loan Outreach Center |
| DLP | Disaster Loan Program |
| DPGM | Division of Procurement and Grants Management |
| DRC | Disaster Recovery Center |
| DRP | Disaster Recovery Plan |
| ED | Entrepreneurial Development |
| EIDL | Economic Injury Disaster Loan |
| ESF | Emergency Support Function |
| ESFLG | Emergency Support Function Leadership Group |
| FEMA | Federal Emergency Management Agency |
| FIT | Field Inspection Team |
| FOC | Field Operations Center |
| GC | General Counsel |
| GCBD | Office of Government Contracting and Business Development |
| GeoCONOPS | Geospatial Concept of Operations |
| GSA | U.S. General Services Administration |
| JIC | Joint Information Center |
| M&A | Office of Management and Administration |
| NDRF | National Disaster Recovery Framework |
| NFC | National Finance Center |
| NIMS | National Incident Management System |
| NRCC | National Response Coordination Center |
| NRF | National Response Framework |
| OBO | Office of Business Operations |
| OCA | Office of Capital Access |
| OCFO | Office of the Chief Financial Officer |
| OCONUS | Outside the Continental United States |
| OCPL | Office of Communications and Public Liaison |

| | |
|------|----------------------------------------------|
| ODA | Officer of Disaster Assistance |
| ODP | Office of Disaster Planning |
| OFO | Office of Field Operations |
| OHCM | Office of Human Capital Management |
| OMB | Office of Management and Budget |
| PASC | Personnel and Administrative Services Center |
| PDC | Processing and Disbursement Center |
| PIO | Public Information Officer |
| PSA | Public Service Announcement |
| RRCC | Regional Response Coordination Center |
| RSF | Recovery Support Function |
| SBA | U.S. Small Business Administration |
| SBDC | Small Business Development Center |
| WBC | Women's Business Center |

APPENDIX B: SURGE PLAN

SBA’S LEVEL I PLAN

The combination of SBA’s on-board strength, operations processes, and infrastructure capacity, positions SBA to handle Level I disasters within its core capability at a performance goal of 21 days (from receipt of the application to decision). Historically, SBA has had tremendous success reaching this performance goal at this level. Subsequent to approval of loan applications, SBA has sufficient staff to perform post-processing functions.

For Level I disasters, ODA will activate Reserves only if necessary to ensure that the proper balance of staff is readily accessible to respond to disasters at this level where the flow of applications tends to occur more rapidly. While SBA is fully prepared at this level, the occurrence of numerous disasters of this size would result in the deployment of SBA resources associated with higher levels of the catastrophic framework.

| | |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I | |
| Level I – Core Capabilities – Up to 100,000 Applications | |
| Human Capital | ⇒ Leverage current ODA staff ⇒ Call up reserves, as necessary |
| Infrastructure | ⇒ Leverage current composition of ODA’s facilities |
| Technology | ⇒ DCMS core capability provides adequate capacity |
| Partnerships | ⇒ Engage SBDCs, SCORE, WBCs in local outreach |
| Communications | ⇒ CLA communicates with affected congressional offices ⇒ ODA PIOs communicate with the affected SBA regional and district offices and with the media ⇒ The public affairs personnel at the regional and district levels inform local officials of the classification of the disaster and the services SBA will provide; listen to local needs ⇒ ODA and OCPL constantly communicate |

SBA’S LEVEL II PLAN

A Level II response (approximately 100,000 – 250,000 applications) is still within SBA’s core capability. It does require ODA to leverage the Reserves, and possibly former employees, to ensure adequate

processing capability. ODA’s active space (PDC, PASC, FOCs – East and West, and CSC) provides enough workstations for the necessary loan processing personnel.

While SBA has the core capability to achieve pre-set performance goals at Level II of 21 days, it will closely monitor and anticipate disaster loan application volume. Once the volume is anticipated to exceed around 250,000 (due to a single disaster or due to multiple disasters), ODA’s Associate Administrator recommends and the administrator triggers a surge.



| Level II – Core Capabilities – 100,000 to 250,000 Applications | |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Human Capital | <ul style="list-style-type: none"> ⇒ Leverage current ODA staff ⇒ Call up reserves; call up former employees, as necessary ⇒ Cross train existing ODA personnel, as necessary |
| Infrastructure | <ul style="list-style-type: none"> ⇒ Leverage current composition of ODA’s facilities ⇒ Surge Facility in Sacramento on “stand-by” should the flow of applications prove to be a challenge or if the agency finds benefit in running concurrent operations |
| Technology | <ul style="list-style-type: none"> ⇒ DCMS core capability provides adequate capacity |
| Partnerships | <ul style="list-style-type: none"> ⇒ Engage SBDCs, SCORE, WBCs in local outreach ⇒ Leverage existing loan processing contractors, if necessary |
| Communications | <ul style="list-style-type: none"> ⇒ CLA communicates with affected congressional offices ⇒ ODA PIOs communicate with the affected SBA regional and district offices and with the media ⇒ The public affairs personnel at the regional and district levels inform local officials of the classification of the disaster and the services SBA will provide; listen to local needs ⇒ ODA and OCPL constantly communicate ⇒ OCPL activates information clearinghouse, if deemed advisable |

SBA’S LEVEL III PLAN

Once disaster loan application volume is anticipated to exceed approximately 250,000 (due to a single disaster or due to multiple disasters), SBA’s Administrator triggers a surge. According to ODA’s disaster modeling tools, SBA will experience peak application inflow in or around the second month of processing. This will require SBA to employ surge strategies in the loan processing and loss verification functional areas to achieve a performance goal of 21 days.

In addition to the Disaster Reserves and former employees, ODA will leverage contractors that are ready to process loans, as well as the Non-ODA Surge Staff located primarily in the District Offices and the Office of Capital Access. ODA will employ hiring strategies in key functions to ensure that the full

complement of staff are deployable in the week in which SBA’s modeling activities indicate that they are required to be productive on SBA’s front lines.



| Level III – Surge – 250,000 to 500,000 Applications | |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Human Capital | <ul style="list-style-type: none"> ⇒ Leverage current ODA staff ⇒ Call up reserves; call up former employees, as necessary ⇒ Cross train existing ODA personnel, as necessary ⇒ Employ Non-ODA surge staff (District Offices, etc.) ⇒ Loan processing staff work double shifts ⇒ Hire new personnel, as necessary |
| Infrastructure | <ul style="list-style-type: none"> ⇒ Leverage current composition of ODA’s facilities ⇒ Activate Surge Facility in Sacramento ⇒ Operate a double shift approach to maximize resources ⇒ Utilize District Office space, as necessary |
| Technology | <ul style="list-style-type: none"> ⇒ DCMS core capability provides adequate capacity ⇒ Closely monitor DCMS utilization and capacity ⇒ Closely monitor tablet inventory for FIT in order to procure additional units, with sufficient reserve |
| Partnerships | <ul style="list-style-type: none"> ⇒ Engage SBDCs, SCORE, WBCs in local outreach ⇒ Leverage existing loan processing contractors, if necessary |
| Communications | <ul style="list-style-type: none"> ⇒ OCPL activates information clearinghouse, if deemed advisable ⇒ OCPL/CLA/clearinghouse communicates with affected congressional offices, partner agencies, media ⇒ AA/CPL deploys personnel to JIC, as necessary |

With respect to infrastructure, Level III may require employees of the Processing and Disbursement Center in Fort Worth to work double-shifts. This double-shift approach yields an equivalent of 3,500 available workstations (1,750 actual workstations, deployed at double the standard number of hours per 24-hour period) for application intake, loan processing, and disbursement activity. SBA’s surge loan processing and disbursement facility in Sacramento may also employ a double-shift capacity, as needed, which yields an additional equivalent of 700 workstations (350 actual workstations) for loan processing and disbursement activity. The ability to access DCMS remotely allows non-ODA personnel to contribute on a part-time or full-time basis without needing to leave their normal work locations.

SBA’S LEVEL IV PLAN

A Level IV disaster (more than approximately 500,000 disaster loan applications) will be larger, and generate more loan applications, than any previous event, including the 2005 Gulf Coast Hurricanes. This number of applications (due to a single disaster or due to multiple disasters) will require SBA to leverage disaster planning modeling tools to determine if it is necessary to adjust the performance goal for processing beyond 21 days.



| Level IV – Surge – More than 500,000 Applications | |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Human Capital | <ul style="list-style-type: none"> ⇒ Leverage current ODA staff ⇒ Call up reserves and former employees, ⇒ Cross train existing ODA personnel, as necessary ⇒ Employ Non-ODA surge staff (District offices, etc.) ⇒ Loan processing staff work double shifts ⇒ Hire new personnel |
| Infrastructure | <ul style="list-style-type: none"> ⇒ Leverage current composition of ODA's facilities ⇒ Operate a double shift approach to maximize resources ⇒ Activate Surge Facility in Sacramento, employ double shift ⇒ Utilize district offices, where available ⇒ Work with GSA to lease additional facilities |
| Technology | <ul style="list-style-type: none"> ⇒ DCMS access is distributed and monitored across each work-shift to ensure that the system remains viable ⇒ If necessary, execute contingency plan to expand DCMS capacity ⇒ Procure additional tablet inventory for FIT, as necessary |
| Partnerships | <ul style="list-style-type: none"> ⇒ Engage SBDCs, SCORE, WBCs in local outreach ⇒ Leverage existing loan processing contractors, if necessary |
| Communications | <ul style="list-style-type: none"> ⇒ OCPL activates information clearinghouse, if deemed advisable ⇒ OCPL/CLA/clearinghouse communicates with affected congressional offices, partner agencies, media ⇒ AA/CPL deploys personnel to JIC, as necessary |

In addition to the Disaster Reserves and former employees, SBA will leverage all available surge human capital available across the Agency. Moreover, ODA will employ hiring strategies in key functions to ensure that the full complement of staff are deployable in the week in which ODA’s modeling activities indicate that they are required to be productive on SBA’s front lines. It is anticipated that hiring will begin immediately to ensure that the peak application periods are well staffed.

With respect to infrastructure, a Level IV response requires employees of the Processing and Disbursement Center in Fort Worth to work double-shifts. SBA’s surge loan processing and disbursement facility in Sacramento will also employ a double-shift capacity. Further, SBA will leverage other available space, as needed, to augment ODA’s existing staff levels while it uses its primary human capital methods to hire permanent staff.

Finally, through the application of SBA’s disaster planning tools, the Agency will be in a position to determine in the early weeks of a catastrophic response if the Agency possesses adequate infrastructure to house the required amount of staff to meet the process-to-decision goal. Should SBA estimate that it requires additional capacity for a given surge, the Agency will immediately leverage pre-existing relationships with GSA to negotiate the procurement and utilization of additional infrastructure. GSA is aware that SBA may need to acquire space quickly when a Level IV disaster occurs. SBA continually monitors available space, in case of such a need.

APPENDIX C: ROLES AND RESPONSIBILITIES OF OTHER SBA OFFICES THAT SUPPORT DISASTER RECOVERY

While Section IV addressed the primary offices that support disaster assistance lending, there are other offices that play a role. Below is a brief description of these offices, including their roles and responsibilities in SBA's disaster response.

MANAGEMENT AND ADMINISTRATION

The Office of Management and Administration (M&A) is responsible for the oversight and management of the Office of Human Capital Management (OHCM) and the Office of Business Operations (OBO).

In the event of a major disaster, M&A, through the OBO, provides the necessary support to ensure that adequate space and facilities are available and that urgent acquisition needs are addressed expeditiously. To ensure the availability of adequate space and facilities, OBO works closely with officials from the General Services Administration to maintain the relationship, communication, and commitment needed to make certain of the immediate availability of space and facilities in those areas of the country most likely to be subjected to natural disasters

The Division of Procurement and Grants Management (DPGM), within OBO, is responsible for meeting the acquisition needs of the Office of Disaster Assistance (ODA) during a disaster response. To facilitate ODA's needs in an expeditious manner, a senior Contracting Officer will be assigned to support their needs on an ongoing basis. That individual will work very closely with ODA to handle both routine and emergency requirements. That individual will also work closely with the Federal Emergency Response and Recovery Contracting team to utilize contracting vehicles developed specifically for disaster needs. When a disaster strikes, DPGM will provide additional contracting support as needed. DPGM will work closely with ODA to help them define their requirements, effect a streamlined acquisition process, and procure the right solution for their needs within budget and on time.

M&A, through OHCM, will coordinate with ODA to determine if there is a need to augment ODA disaster personnel staff. If a disaster goes to a Level III, OHCM will work with ODA and other program areas to implement the surge procedures. Specifically, OHCM will notify employees who are being affected and notify the SBA's union of activation of surge procedures. Depending on the severity and location of the event, OHCM is able to move its operations to the OHCM Denver Personnel Center. Should the OHCM Payroll Operation be impacted by the disaster, OHCM has measures in place with the National Finance Center (NFC) to ensure that SBA employees continue to be paid. OHCM would activate its "go teams" to a NFC backup location to manually input time and attendance data into the NFC. NFC has measures in place and emergency back up facilities to ensure payroll will be processed in a timely manner.

OFFICE OF THE CHIEF INFORMATION OFFICER

The Office of the Chief Information Officer (OCIO) is responsible for developing and implementing information technology policy, standards and procedures in accordance to applicable laws and regulations for use throughout the Agency. It provides oversight, management and operational support of SBA's IT units, including the Agency's continuity of operations, disaster response, and recovery capabilities for the infrastructure and critical systems. OCIO manages and monitors the Agency's network to ensure a fast response to any problems that may arise during critical times, regarding stability, reliability and availability of all critical systems. OCIO manages SBA's websites, and ensures they are made available for accessibility at all times, so those affected by disasters can get to disaster related information from the first responders phase through to the recovery phase.

OFFICE OF ENTREPRENEURIAL DEVELOPMENT

OED, in conjunction with SBA resource partners (SBDCs, SCORE, and WBCs), supports the small business community in preparing for and recovering from disasters. SBA's resource partner network and entrepreneurial services such as the Small Business Training Network contribute significantly to disaster preparedness for small businesses and provide counseling services tailored to regional and local circumstances post-disaster to help small businesses recover. OED serves as SBA's central point-of-contact for resource partners and coordinates national and regional training for resource partners on disaster preparedness, response and recovery.

OED coordinates with SBDC and SCORE to work with ODA, SBA district offices, and other local resources to provide "one stop" resource centers. Placing SBA, SCORE, and SBDC personnel at one location enables a seamless process for small businesses needing assistance. SBDCs participate in pre-disaster planning when advance notice is available.

At all disaster levels, resource planners:

- Make potential applicants aware of SBA's services and handing out disaster loan applications;
- Screen and interview applicants and help complete documents and collect requisite background information;
- Provide:
 - Application assistance,
 - Direct counseling assistance to help small businesses,
 - Financial record reconstruction,
 - Alternative marketing recommendations for small businesses to reach current/new customers;
- Form business support groups in conjunction with SBA efforts; and
- Provide other general small business counseling and training, to include future risk mitigation and resiliency strategies.

SBA DISTRICT OFFICES

While ODA has the primary responsibility for the delivery of SBA's disaster loan program, non-disaster field offices must play a role in all disasters to ensure a seamless and effective response to our customers. The extent to which a regional, district or branch office will be called upon to support a disaster recovery operation will be determined largely by the severity of the disaster and how widespread it is. Many local offices lack sufficient staff to support a large endeavor and in many cases their own employees may be suffering the effects of the event and need to take care of their own families and home situations.

APPENDIX D: MAJOR DISASTER LENDING

