

SBA's Initial Response to the Severe Storms in Missouri and Kentucky



Inspection Report

Report 26-02

January 14, 2026



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U.S. Small Business Administration

Office of Inspector General

EXECUTIVE SUMMARY

SBA's Initial Response to the Severe Storms in Missouri and Kentucky (Report 26-02)

What OIG Reviewed

This report presents the results of our inspection of the U.S. Small Business Administration's (SBA) initial disaster assistance response to the severe storms in Missouri and Kentucky.

On May 16, 2025, a severe storm outbreak induced deadly tornadoes and significantly impacted areas of Missouri and Kentucky. The storm resulted in five deaths and approximately \$1.6 billion in damage in St. Louis, Missouri. In Kentucky, the storm resulted in 19 deaths and over \$350 million in damage.

The President issued major disaster declarations for both states, activating SBA's disaster assistance loan program.

Our objective was to assess SBA's initial response to severe storms in Missouri and Kentucky, including staffing, customer service response, outreach, volume of loan applications, and timeliness of loan approvals.

We visited 12 recovery centers and 2 joint field offices in Missouri and Kentucky. We observed SBA's operations and interactions with survivors, interviewed program officials, and reviewed applicable laws, regulations, and training guidance. Additionally, we reviewed recovery center staffing data and observed SBA's outreach efforts in the local affected communities. Lastly, we reviewed disaster loan application processing timeliness.

What OIG Found

We found that SBA mobilized quickly after each presidential disaster declaration to provide disaster assistance in Missouri and Kentucky. The agency exceeded its strategic goal to establish a field presence within 3 business days and open a recovery center within 10 business days for both declarations.

In addition, staffing levels were adequate at recovery centers in both states, and disaster survivors were satisfied with SBA's customer service on-site.

Further, SBA conducted outreach and engagement activities promptly and in accordance with internal policy after each declaration.

Lastly, SBA processed disaster loan applications timely, exceeding its strategic goal to process applications—from submission to decision—within 31 days. Overall, the agency processed applications from submission to decision in an average of 7 days for both declarations. While the agency does not have a goal to process loans from submission to disbursement, we found that the average number of days to disburse loans was 24 for Missouri and 29 for Kentucky.

Agency Response

This report does not contain any recommendations, and the agency did not provide any comments.

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Introduction

The U.S. Small Business Administration (SBA) provides low-interest disaster assistance loans to businesses of all sizes, most private nonprofit organizations, homeowners, and renters impacted by declared natural disasters that occur in the United States and its territories. In addition, the agency provides eligible small businesses necessary working capital to help overcome the economic injury of a declared disaster. A presidential disaster declaration activates SBA's physical disaster assistance loan program, which covers repairs and replacement of physical assets damaged in a declared disaster, and SBA's Economic Injury Disaster Loan (EIDL) program, which covers the costs and expenses for small businesses that incurred substantial economic injury from a declared natural disaster.

When a natural disaster is declared, the Federal Emergency Management Agency, in collaboration with SBA, state and local government agencies, and disaster relief organizations, establish Disaster Recovery Centers (DRC). These centers are open to the public throughout the disaster-impacted areas and provide information about disaster assistance programs.

In addition to the DRCs in a declared disaster area, SBA independently establishes its own recovery centers, such as Business Recovery Centers (BRC) and Disaster Loan Outreach Centers (DLOC). BRCs and DLOCs are staffed by the agency, volunteer organizations, and business resource partners to assist survivors with loan applications, answer questions about the loan program, and direct business owners to available resource partners for specialized business counseling. SBA's Office of Disaster Recovery and Resilience (ODR&R) has a strategic goal of opening one of these SBA-established centers within 10 days of the disaster declaration.

Furthermore, after a presidential disaster declaration is issued, ODR&R executes outreach and engagement activities using a six-phase strategy to connect disaster survivors and small businesses with SBA disaster assistance. The six-phase strategy ensures that synchronized and standard processes are used for public information campaigns and when disseminating messages (see Table 1 below). SBA focuses on primary counties first and then shifts its focus to contiguous counties. This shift occurs because physical damage loans are only available to eligible homeowners, renters, and businesses located in the primary counties included in the disaster declaration, and these types of loans have a shorter application deadline than EIDLs. Throughout all six phases, SBA works with key stakeholders that include, but are not limited to:

- Local media (e.g., television, radio, print),
- Elected officials (e.g., mayors, governors, congressional officials),
- Emergency managers,
- Interagency partners (e.g., Federal Emergency Management Agency and the U.S. Department of Housing and Urban Development),
- SBA regional and district offices,
- SBA resource partners (e.g., small business development centers),
- Chambers of Commerce, and
- Faith- and community-based organizations.

Table 1: SBA's Six-Phase Strategy for Outreach and Engagement Activities

Phase	Title	Timeframe	Strategy
1	Initial Assessment	Week 0	Assess damaged locations and demographics; identify rural communities.
2	Focused Outreach and Engagement	Weeks 1–2	Focus on getting information out to the public, distribute initial press release and fact sheets, request partners post information on social media platforms, execute webinars, identify and track engagements with key disaster partners in the primary counties, and initiate reconsideration/withdrawal campaigns. ¹
3	Enhanced Engagement	Weeks 3–4	Collaborate with service providers and stakeholders in contiguous counties and work with disaster partners to host forums and podcasts.
4	Adjust to Operational Environment	Weeks 5–8	Focus messaging on primary and contiguous counties, issue application deadline reminders, and initiate a targeted EIDL campaign for working capital loans. ²
5	Closeout	N/A	Close out activities with engaged stakeholders.
6	Transition to Long-Term Recovery	N/A	Conclude targeted EIDL campaign, initiate targeted business analysis campaign, ³ and conduct preparedness and resilience workshops/webinars. ⁴

¹ A reconsideration/withdrawal campaign is an effort made by SBA to assist interested applicants with unmet needs and obtain favorable decisions on their loan request.

² A targeted EIDL campaign is initiated by SBA to promote disaster working capital loans by educating businesses about EIDLs, including how to calculate economic injury based on revenues before and after a disaster.

³ A targeted business analysis campaign is initiated by SBA to assist all business applicants through coordinated training and technical service opportunities with resource partners.

⁴ Preparedness and resilience workshops/webinars are informational sessions covering various topics (e.g., SBA disaster and federal funding, application process, deadlines, etc.) primarily coordinated by SBA Public Information Officers and executed virtually or in-person in conjunction with SBA District Offices, resource partners, and other stakeholders.

Source: Office of Disaster Recovery and Resilience Outreach and Engagement Implementation Plan, 2025

Background

On May 16, 2025, a severe storm outbreak induced deadly tornadoes and significantly impacted areas of Missouri and Kentucky. This was the first tornado in the city of St. Louis



Damaged homes in St. Louis, Missouri (SBA Office of Inspector General photo).

since 1959, resulting in four deaths and approximately \$1.6 billion in damage.

South of St. Louis, another tornado impacted Scott County, killing 2 people and damaging over 40 homes.

The storm system then traveled to Kentucky, where a large tornado touched down in Russell County and moved over 55 miles through Pulaski County into Laurel County, killing 19 people. In Kentucky, the tornado caused over \$350 million in damages to homes, businesses, and a small airport.

The President issued a major disaster declaration for Missouri on June 9, 2025, and for Kentucky on May 23, 2025, activating SBA's disaster assistance loan program. According to the United States Census Bureau, Missouri's declaration included 6 urban counties and 4 rural counties, and Kentucky's declaration included 2 urban counties and 24 rural counties. SBA has varying deadlines for each disaster declaration based on the type of disaster loan (see Table 2 below). The deadlines for physical damage applications have passed; however, SBA has a 60-day grace period for all disaster declarations, and SBA accepted applications until October 25, 2025, for Missouri and until October 21, 2025, for Kentucky.



Damaged airplanes in London, Kentucky (SBA Office of Inspector General photo).

Table 2: Missouri and Kentucky Severe Storms Filing Deadlines

Disaster Number	Physical Damage Filing Deadline	EIDL Filing Deadline
MO-20014	August 26, 2025	March 9, 2026
KY-20020	August 22, 2025	February 23, 2026

Source: SBA website

Objective

Our objective was to assess SBA's initial response to severe storms in Missouri and Kentucky, including staffing, customer service response, outreach, volume of loan applications, and timeliness of loan approvals.

Results

We found SBA mobilized quickly after each presidential disaster declaration to provide disaster assistance in Missouri and Kentucky. The agency quickly established a field presence, maintained sufficient recovery center staffing levels, provided satisfactory customer service on-site, conducted prompt outreach and engagement efforts, and processed disaster loan applications timely and in accordance with internal standards for both disaster declarations.



Disaster Loan Outreach Center at St. Louis County Library in Florissant, Missouri (SBA Office of Inspector General photo).

Field Presence and Staffing

SBA's ODR&R exceeded its strategic goal to establish a field presence for both disaster declarations. That goal states that the agency is to provide a field presence by staffing a DRC or joint field office within 3 business days of a disaster declaration and open a BRC or DLOC within 10 business days of a disaster declaration. In Missouri, SBA had personnel on the ground 2 days after the disaster declaration and opened a BRC 3 days after the declaration. In Kentucky, SBA had personnel on the ground in 1 day and opened a BRC 4 days after the declaration.

Additionally, SBA maintained sufficient staffing levels to support recovery operations in both Missouri and Kentucky. According to SBA officials, the goal was to have a minimum of



Disaster Recovery Center at Somerset Community College in London, Kentucky (SBA Office of Inspector General photo).

two employees per recovery center based on service needs and physical accommodations at each center. Throughout both disaster declarations, SBA maintained an average of two to seven staff members per center in Missouri and an average of two to four staff members per center in Kentucky. Tables 3 and 4 show the actual staffing and center totals at specific intervals of each disaster declaration.

Table 3: Staffing Levels at the Recovery Centers in Missouri

As of Date	Number of Weeks After Declaration	Total Staff at Recovery Centers	Total Centers Supporting Missouri	Average Staff per Center
June 16, 2025	1	18	3	6
June 30, 2025	3	27	8	3
July 15, 2025	5	32	8	4
July 31, 2025	7	24	6	4
August 15, 2025	9	17	5	3

Source: SBA Office of Inspector General analysis

Table 4: Staffing Levels at the Recovery Centers in Kentucky

Date	Number of Weeks After Declaration	Total Staff at Recovery Centers	Total Centers Supporting Kentucky	Average Staff per Center
May 30, 2025	1	12	5	2
June 16, 2025	3	13	5	3
June 30, 2025	5	13	4	3
July 15, 2025	7	12	4	3
July 31, 2025	9	9	4	2

Source: SBA Office of Inspector General analysis

Customer Service Response

In Missouri, we visited six DRCs, one BRC, and one DLOC. In Kentucky, we visited two DRCs and two BRCs. The centers we visited had between two and seven staff members, and we found there was adequate signage and informative flyers available to the public. We observed that disaster loan applicants experienced minimal wait times, and some locations did not have any customers during our visit. Additionally, we spoke to disaster survivors who stated they were satisfied with the customer service SBA provided on-site.

Outreach and Engagement Efforts

We determined that SBA conducted prompt outreach and engagement activities in response to the severe storms in Missouri and Kentucky. During our site visits, we observed several outreach and engagement activities being conducted in the field and found that they aligned with the phase activities outlined previously in Table 1. We also learned of SBA's concerted effort to develop a written Outreach and Engagement Implementation Plan that will be used to streamline outreach and engagement processes. In addition, we were informed that SBA tailors its targeted outreach efforts according to the demographics of the affected communities. In urban areas with a wider subset of demographics, social media campaigns and television advertisements are primarily used to disseminate information. In rural areas with challenges to internet access, newspaper advertisements and town halls are generally used.

The President issued a major disaster declaration for Missouri on June 9, 2025. The following day, SBA began conducting outreach activities by contacting local Missouri congressional representatives. Just 2 days after the declaration, the agency issued press releases regarding disaster relief options for their constituents, and agency personnel attended the St. Louis, Missouri, mayoral press conference.

For Kentucky, the President issued a major disaster declaration on May 23, 2025. Five days later, SBA began conducting outreach efforts by sending emails and outreach material via social media to local congressional representatives and later performed engagement efforts by holding town hall meetings on May 30, 2025.

We visited Missouri 5 weeks after the disaster declaration while SBA was in phase 4 of its outreach and engagement strategy. During that time, we attended a business resource forum during which an SBA Public Information Officer (PIO) provided detailed information to the public regarding SBA disaster loan options and answered questions. Further, SBA staff at recovery centers told us that PIOs focused on messaging the upcoming deadlines for disaster assistance

loan applications. In addition, we were told that Customer Service Representatives assisted with the reconsideration/withdrawal campaign and conducted door-to-door outreach to businesses in the affected areas.

We visited Kentucky 6 weeks after the disaster declaration while SBA was also in phase 4 of its outreach and engagement strategy. During this time, we observed two PIOs conducting targeted outreach to stakeholders at city hall, the judge/executive's office, and a local radio station to provide them with information regarding SBA disaster relief options and request that they disseminate the information to their networks.

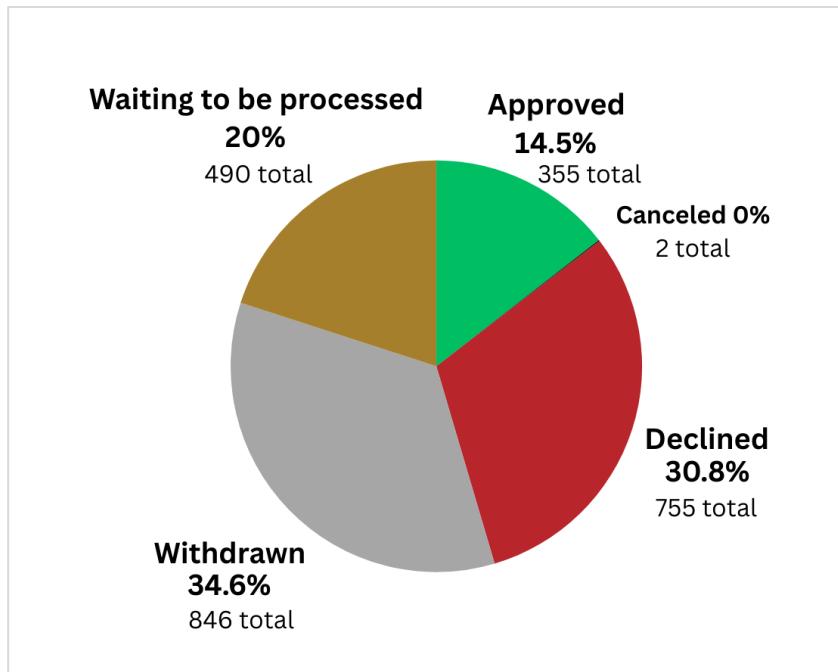
After our site visit to Kentucky, we listened to a PIO on the radio informing local residents about SBA recovery centers in the affected communities. The PIO provided information from fact sheets on application deadlines, interest rates, and loan amount limits. Later, we verified that the information the PIO shared during the broadcast was current and accurate.

Volume of Loan Applications

Most disaster loan applications were submitted during the first 6 weeks after the declarations in Missouri and Kentucky. As of September 9, 2025, SBA had received 2,448 disaster loan applications after the Missouri declaration and 294 disaster loan applications after the Kentucky declaration. Over 50 percent of the applications were submitted within the first 37 days of the Missouri declaration and within the first 42 days of the Kentucky declaration. As of October 3, 2025, SBA approved 424 disaster loan applications with offer amounts totaling \$25.5 million and disbursements totaling \$13.6 million for Missouri. For Kentucky, SBA approved 86 disaster loan applications with offer amounts totaling \$12.3 million and disbursements totaling \$3.3 million.

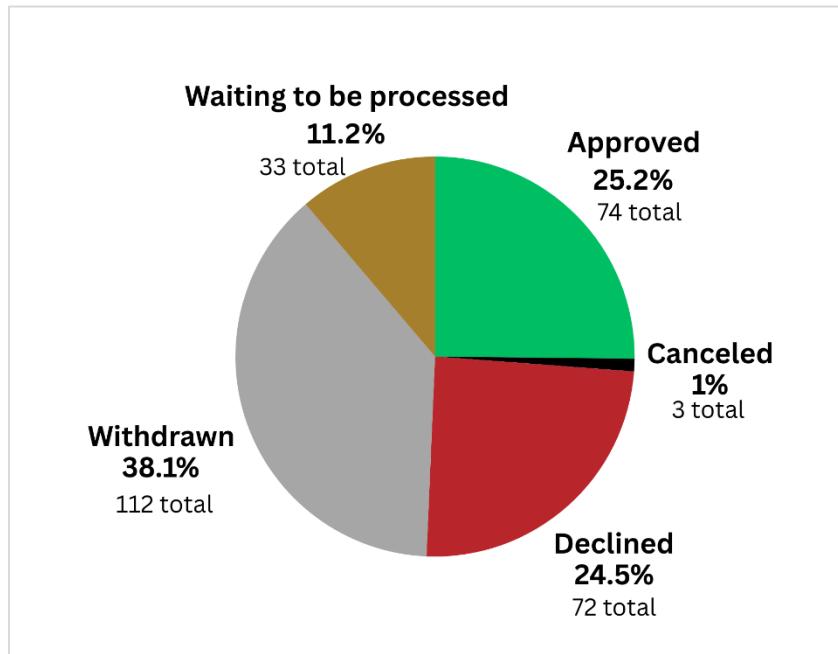
The number of loan applications waiting to be processed correlated directly with the high-volume period for both the Missouri and Kentucky declarations. During the first 5 weeks after the Missouri declaration and the first 6 weeks after the Kentucky declaration when application volume was the highest, SBA took 7 days on average to process loan applications. The percentage of loan applications waiting to be processed steadily decreased from the start of each declaration and fell below 20 percent of all loan applications received by day 65 of the Missouri declaration and day 32 of the Kentucky declaration. As of September 9, 2025, only 20 percent of Missouri loan applications and 11 percent of Kentucky loan applications were waiting to be processed (see Figures 1 and 2 below).

Figure 1: Missouri – Disaster Loan Application Statuses as of September 9, 2025



Source: SBA Office of Inspector General analysis

Figure 2: Kentucky – Disaster Loan Application Statuses as of September 9, 2025



Source: SBA Office of Inspector General analysis

Timeliness of Loan Approvals

SBA processed disaster loan applications timely and in accordance with its internal standards. The agency's Processing and Disbursement Center sets annual goals for processing all disaster assistance loan applications based on the total number of applications the agency receives in a fiscal year and the corresponding tier (see Table 5). As of September 9, 2025, SBA had received 226,191 applications for fiscal year 2025, which is tier 2. Accordingly, the agency must process 95 percent of the total applications received from submission to a decision within 31 days or less to meet its strategic goal.

Table 5: Loan Processing Goals

Tier	Total Number of Disaster Loan Applications Received in a Fiscal Year	Fiscal Year 2025 Goal for Number of Days to Process Disaster Loan Applications
1	0-50,000	10 days
2	50,001–250,000	31 days
3	250,000 plus	45 days

Source: SBA Office of Inspector General analysis

We calculated the overall processing time of disaster loan applications by counting the total number of days SBA had possession of the application from the time of submission, either original, reconsideration, or reacceptance, to the time the agency approved, declined, canceled, or withdrew the application. SBA processed all disaster loan applications from submission to decision in 7 days on average for both the Missouri and Kentucky disaster declarations, exceeding the annual processing time goal. While the agency does not have a goal to process loans from submission to disbursement, we found that the average number of days for processing applications was 24 for Missouri and 29 for Kentucky.

As shown in Table 6 below, among the different loan types, physical damage home loan applications were processed the fastest, in 4 days on average for Missouri and in 6 days on average for Kentucky. Physical damage business loans and EIDL applications took slightly longer, averaging 12 days for Missouri and 10 days for Kentucky. This is not uncommon, as EIDLs and business loan applications typically take longer to process than home applications because they require more documentation such as proof that the business suffered an economic injury from the disaster or forms from each owner of the business.

Table 6: Average Number of Days to Process Missouri and Kentucky Severe Storms Applications

Loan Type	Average Number of Days to Process Loan Applications for Missouri	Average Number of Days to Process Loan Applications for Kentucky
Home	4	6
Business	12	10
EIDL	7	10
Total average	7	7

Source: SBA Office of Inspector General analysis

The processing time for disaster loan applications can also differ depending on whether the application is the original submission, a reconsideration, or a reacceptance. Applicants can request reconsideration when their loan application is declined or reacceptance when their loan application is withdrawn. While reconsiderations took the longest time to process for both Missouri and Kentucky, there was no material difference between the processing times based on submission type (see Table 7).

Table 7: Average Number of Days to Process Applications Based on Submission Type

Submission Type	Average Number of Days to Process Loan Applications for Missouri	Average Number of Days to Process Loan Applications for Kentucky
Original	6	6
Reconsideration	11	8
Reacceptance	8	6

Source: SBA Office of Inspector General analysis

Finally, as shown in Table 8 below, we analyzed how long it took SBA to process loan applications based on the decision type (e.g., approved, declined, withdrawn, or canceled). Loan approvals took the longest to process: 12 days for Missouri and 11 days for Kentucky. While higher than the overall average days to process applications, these numbers are still within SBA's goal of 31 days.

Table 8: Average Number of Days to Process Applications Based on Decision Type

Decision Type	Average Number of Days to Process Loan Applications for Missouri	Average Number of Days to Process Loan Applications for Kentucky
Approved	12	11
Declined	5	5
Withdrawn	6	5
Canceled	1	1

Source: SBA Office of Inspector General analysis

Appendix 1: Scope and Methodology

This report presents the results of our inspection of the U.S. Small Business Administration's (SBA) initial disaster assistance response to the severe storms in Missouri and Kentucky. Our objective was to assess SBA's initial response to severe storms in Missouri and Kentucky, including staffing, customer service response, outreach, volume of loan applications, and timeliness of loan approvals.

To answer our objective, we interviewed SBA officials from Field Operations Center-East and Field Operations Center-West, the Processing and Disbursement Center, the Customer Service Center, and the Joint Field Operations Centers for Missouri and Kentucky. Further, we reviewed applicable laws and regulations, SBA's standard operating procedures, and other SBA operating policies and guidance. We accessed and reviewed the agency's dashboards using the Unified Lending Platform to assess loan application volume and disaster loan application processing. We also reviewed staffing data provided by Field Operations Center-East and Field Operations Center-West from the Field Activity and Scheduling Tool. Lastly, we visited the following 12 centers and 2 joint field offices in Kentucky and Missouri:

- Pulaski County Office of Emergency Management (Business Recovery Center), Somerset, Kentucky
- Pulaski Center for Rural Development (Disaster Recovery Center), Somerset, Kentucky
- Somerset Community College (Disaster Recovery Center), London, Kentucky
- Kentucky Highlands Investment Corporation (Business Recovery Center), London, Kentucky
- St. Louis County Library (Disaster Loan Outreach Center), Valley Branch, Florissant, Missouri
- Tanner Street Church of God (Disaster Recovery Center), Sikeston, Missouri
- Mid-County Branch Library (Disaster Recovery Center), Clayton, Missouri
- Sumner High School (Disaster Recovery Center), Independent City of St. Louis, Missouri
- St. Louis Community Center Harrison Education Center (Business Recovery Center), St. Louis, Missouri

- Urban League Entrepreneurship & Women's Business Center (Disaster Recovery Center), Independent City of St. Louis, Missouri
- Prairie Commons Branch Library (Disaster Recovery Center), Hazelwood, Missouri
- Union Tabernacle Missionary Baptist Church (Disaster Recovery Center), Independent City of St. Louis, Missouri
- Joint Field Office/Interim Operating Facility – Frankfort, Kentucky
- The Post Building Joint Field Office/Interim Operating Facility – St. Louis, Missouri

In Kentucky, we also went on targeted outreach excursions with Public Information Officers who informed local stakeholders of SBA relief options. Additionally, in St. Louis, Missouri, we attended a business resource forum to observe a panel that included SBA Public Information Officers addressing the local affected community and allowing potential applicants to ask real-time questions regarding their individual circumstances.

We conducted this inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. These standards require that we adequately plan and perform this evaluation to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our objective.

Use of Computer-Processed Data

We relied on computer-processed data from SBA's loan application processing system contained in the Unified Lending Platform.

We performed various limited testing procedures, including verification of data extracts, to ensure that the data was accurate and complete for our objective. We believe the data is sufficiently reliable to support our conclusions.

Prior Audit Coverage

The following lists the Office of Inspector General's previous audit coverage related to the objective of this report:

Report Number	Report Title	Report Date
24-11	<i>Maui Wildfires – Initial Disaster Assistance and Recovery Response</i>	April 2, 2024
24-12	<i>Hurricane Idalia – Initial Disaster Assistance and Recovery Response</i>	April 3, 2024
24-13	<i>Hurricanes Fiona and Ian – Initial Disaster Assistance and Recovery Response</i>	April 9, 2024
25-19	<i>Hurricane Helene – Initial Disaster Assistance and Recovery Response</i>	June 17, 2025
25-20	<i>Hurricane Milton – Initial Disaster Assistance and Recovery Response</i>	July 2, 2025