



November 23, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Secretary Mnuchin and Administrator Carranza:

On behalf of the American Council of Engineering Companies (ACEC) – the voice of the nation’s engineering industry – I am writing to urge you to withdraw SB Form 3509, the Paycheck Protection Program (PPP) Loan Necessity Questionnaire.

Founded in 1906, ACEC is a national federation of 52 state and regional organizations representing more than 5,600 engineering firms and 600,000+ engineers, surveyors, architects, and other specialists nationwide. ACEC member firms drive the design of America’s infrastructure and built environment and PPP loans have been an essential lifeline for many engineering firms during these uncertain times.

As you know, when engineering firms and other businesses applied for PPP loans, they were asked to certify that “uncertainty of current economic conditions makes necessary the loan request to support the ongoing operations of the eligible recipient.” Engineering firms faced substantial economic uncertainty when the pandemic struck and continue to operate their businesses without knowing what the future holds for infrastructure investment due to significant declines in state and local tax receipts as well as the gas tax revenues that fund transportation projects.

However, the questionnaire, which must be submitted by borrowers with PPP loans over \$2 million along with a very detailed loan forgiveness application, goes well beyond the certification of economic uncertainty. It appears to evaluate economic uncertainty by looking at the loan recipient’s performance during the months *after* receipt of the loan. The CARES Act does not state that loan forgiveness will be based on economic performance of the borrower following application for a PPP loan.

The liquidity assessment on the questionnaire requests the amount of cash and cash equivalents in the quarter prior to the loan application. Again, this is information that was not required when firms submitted PPP loan applications. The same can be said

regarding information pertaining to executive compensation, dividends, and capital projects.

In designing the PPP, Congress clearly intended that employers that retained their employees would be eligible for loan forgiveness. ACEC members that took out PPP loans in good faith have done their part. The questionnaire upends this premise by adding loan forgiveness criteria after the loan documents were signed.

ACEC urges you to withdraw SB Form 3509 and return the loan forgiveness process to its original intent. Thank you for your consideration and please let us know how we can assist in this matter.

Sincerely,

A handwritten signature in black ink, reading "Linda Bauer Darr". The signature is written in a cursive, flowing style.

Linda Bauer Darr
President & CEO