



April 25, 2023

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

RE: Markup of Legislation on April 26, 2023

Dear Chairman McHenry and Ranking Member Waters,

The Institute of Portfolio Alternatives (IPA)¹ is pleased to offer its support for several of the bills pending before the Committee on Financial Services during the markup scheduled for April 26, 2023. IPA is grateful for the Committee's attention to the needs of retail investors to diversify their investment portfolios to achieve their financial goals for homeownership, education and retirement.

IPA supports the following bills that are within the scope of our mission:

- H.R. 835, the *Fair Investment Opportunities Act*. The proposal would maintain the current thresholds for accredited investors while indexing for inflation with a five year forward-looking adjustment. In addition, it expands the definition of accredited investor to include holders of certain professional licenses from the U.S. Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) and state securities administrators.
- H.R. 1579, the *Accredited Investor Definition Review Act*. The proposal would grant accredited investor status to individuals holding credentials that the SEC has approved and requires periodic review of the approved credentials.
- H.R. 2797, the *Equal Opportunity for All Investors Act*. The proposal would grant accredited investor status to individuals that are certified through a SEC approved examination.
- H.R. 2593, the *Senior Security Act*. The proposal requires the SEC to create a Senior Investor Taskforce.

¹ For over 35 years, the Institute has advocated for increased investor access to alternative investment strategies with low correlation to equity markets, as part of a diversified portfolio. Such strategies include real estate, public and private credit and other real assets through investment vehicles such as non-traded publicly registered real estate investment trusts ("REIT"), non-traded publicly registered regulated investment companies ("RIC"), business development companies, closed-end funds, interval funds and private placements, among others. With nearly \$300 billion in capital investments, these portfolio diversifying investments are a critical component of an effectively balanced investment portfolio and serve an essential capital formation function for our national, state and local economies. The mission of the IPA is to advocate for portfolio diversifying investments through education and public awareness.

- H.R. 2796, the *Promoting Opportunities for Non-Traditional Capital Formation Act*. The proposal requires the SEC to provide education and outreach to underrepresented small businesses, such as those owned by women and minorities, and those located in rural areas.
- H.R. 2799, the *Expanding Access to Capital Act*. The proposal would, among other things, raise the Tier 2 limit under Regulation A+ to \$150 million and index the level for inflation.

Several of the proposals would expand and modernize the definition of accredited investor. IPA supports expanding the definition of accredited investor to allow retail investors more access to opportunities to diversify their portfolios with investments that are not correlated to stock market movements. Also, we support the increase in the Regulation A+ limit to enhance that as a method for capital formation for growing companies. IPA shares the concerns regarding the protection of vulnerable senior investors and believes more understanding of the challenges facing seniors is needed. Finally, IPA has a long history promoting diversity and inclusion within our industry and applauds the effort to encourage the creation and growth of women-owned and minority-owned businesses.

If you have question about the IPA or our support, please don't hesitate to contact me or Gina Gombar, Vice President of Government Affairs and Associate General Counsel.

Thank you,



Anya Coverman

President & CEO, Institute for Portfolio Alternatives