

May 19, 2025

**The Honorable French Hill**

Chair

Committee on Financial Services

United States House of Representatives

*Re: Accredited Investor Alliance Support for Broadening the Accredited Investor Definition*

**Dear Chairman Hill:**

Thank you for scheduling the May 20-21, 2025, markup examining important legislation that will boost capital formation and strengthen our economy.

**The undersigned organizations and companies, which comprise the Accredited Investor Alliance (AIA), urge you to approve legislation that would simplify and expand the accredited investor definition.** Stakeholders established the AIA in 2024 to advocate for expanding the pool of accredited investors, which would support individuals and those saving for retirement and advance businesses of all sizes – both early-stage and established – across the economy.

Meaningfully expanding the pool of accredited investors while preserving appropriate investor protections would help increase access to investment opportunities and foster capital formation, ensuring that a broader demographic can partake in the financial growth and innovation our country offers.

The AIA advocates for a detailed and multifaceted examination of the accredited investor definition by Congress and the U.S. Securities and Exchange Commission (SEC), taking into account the broader dynamics of our ever-changing economy and the increasingly pivotal role of private markets.

The AIA believes that income and net worth thresholds alone are not determinative of a person's financial sophistication or acumen, and that there should be additional pathways for individuals to qualify as accredited investors.

We also believe that the current conduct standards applicable to financial professionals working with investors, such as the investment adviser fiduciary duty and the broker-dealer's best interest standard, are sufficiently robust and provide adequate safeguards to ensure that recommended investments are suitable for and in the best interest of investors.

Bipartisan legislation has been consistently and overwhelmingly advanced by the House of Representatives over several Congresses. The AIA is grateful to you, Chairman Hill, for

championing the *Fair Investment Opportunities for Professional Experts Act*, which the House passed during the 118<sup>th</sup> Congress. As you know, this legislation would enable individuals with certain licenses and pertinent education or job experience to qualify as an accredited investor.

On March 8, 2024, the House passed the *Expanding Access to Capital Act*, a package of capital formation legislation previously examined by the Committee on Financial Services. The package incorporated several bills expanding the accredited investor definition, namely legislation that would provide accredited status to investors who receive individualized investment advice or individualized investment recommendations with respect to a private offering from a qualified professional.

The AIA steadfastly supports expanding the accredited investor definition, but the undersigned **oppose any alteration of the accredited investor definition, such as excluding retirement assets, that would decrease the current pool of eligible individuals**. The AIA maintains that the source of a person's net worth should not be reflective of that person's financial sophistication or acumen, nor should it solely determine their status as an accredited investor. Therefore, the AIA urges the SEC and Congress to ensure that common assets, including retirement accounts, are not unduly excluded when determining accredited investor eligibility.

Given that retirement savings are often individuals' largest asset outside of their homes and demonstrate financial discipline and investment savvy, including retirement assets in the accredited investor definition helps provide a complete picture of an individual's net worth and financial capacity. Further, retirement investors may wish to diversify their holdings, mitigate risk, and enhance their long-term returns by investing in private placements and alternative assets.

Thank you again for convening today's markup. The AIA appreciates your consideration of straightforward legislation to meaningfully expand the accredited investor definition while preserving vital investor protections, which would expand access to capital across America.

Sincerely,

**The Accredited Investor Alliance**

American Securities Association

Angel Capital Association

Carta

Defined Contribution Alternatives  
Association

Defined Contribution Real Estate Council

Financial Services Institute

Financial Technology Association

Institute for Portfolio Alternatives

Investment Advisor Association

Nareit

National Association of Insurance and  
Financial Advisors

Small Business & Entrepreneurship Council

(Supporting companies are listed on the following page.)

**Supporting Companies**

Alliance160 LLC

AOG Institutional Fund

CAIS

Cantor Fitzgerald

Capital Square

Engine

Global AI Internet Freedom Fund

I Squared Capital

IBN Financial Services, Inc.

Inland Private Capital Corporation

KCD Financial, Inc

Monroe Capital

Realized Financial, Inc.

The Inland Real Estate Group of Companies, Inc.

CC: The Honorable Maxine Waters

The Honorable Ann Wagner

The Honorable Brad Sherman