



May 19, 2025

The Honorable French Hill
Chair
House Committee on Financial Services
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
House Committee on Financial Services
Washington, D.C. 20515

RE: May 20 and 21, 2025 Markup

Dear Chair Hill and Ranking Member Waters,

On behalf of CFP Board, we offer the following comments on a suite of bills scheduled for committee consideration on May 20 and 21, 2025. CFP Board is a nonprofit, professional certifying and standards-setting body for financial planners that has been committed to the public interest for nearly 50 years.¹

CFP Board Supports Bills Protecting Seniors and Small Businesses

CFP Board is pleased to support some of the measures scheduled for the markup, including the ***Senior Security Act of 2025 (HR 1469)*** and the ***Small Entity Update Act of 2025 (HR 3382)***.

First, we support measures that increase protections and resources to combat financial fraud and exploitation, particularly for seniors and vulnerable adults. Reports estimate that one in five Americans over the age of 65 has been a victim of financial exploitation. The ***Senior Security Act of 2025 (HR 1469)*** will create a Senior Investor Taskforce at the U.S. Securities and Exchange Commission (SEC) that will examine how seniors are being targeted by fraudsters who try to take financial advantage of them. Every two years, the task force will report its findings to Congress and recommend changes to regulations or laws. Additionally, the bill directs the Government Accountability Office (GAO) to study and report on the economic impact and consequences of elder financial exploitation to help policymakers better understand the breadth and scope that financial exploitation of older Americans has on the U.S. economy.

Second, many CFP® professionals own or work for small financial firms, which may be disproportionately impacted by regulatory requirements. The ***Small Entity Update Act of 2025 (HR 3382)*** would instruct the SEC to assess proposed regulations' effect on small businesses and would require the SEC to develop an alternative method under which organizations are classified as small entities for purposes of the Regulatory Flexibility Act. For example, the SEC currently considers small entities to include only investment adviser firms with less than \$25 million in assets under management (AUM), a threshold initially set in 1983. However, because investment advisers are only required to register with the SEC when their AUM is \$100 million or more, only a small number of investment advisers are deemed to be "small." The SEC would be required to better assess the impact of its regulations on firms that are truly small businesses and consider appropriate alternatives that would minimize unnecessary

¹ The CERTIFIED FINANCIAL PLANNER® certification program rests on both competency and ethics standards and is accredited by the National Commission for Certifying Agencies. Each CERTIFIED FINANCIAL PLANNER® professional makes a voluntary commitment to CFP Board to abide by CFP Board's Code of Ethics and Standards of Conduct, the cornerstone of which is the requirement to act as a fiduciary, and therefore, act in the best interests of the client at all times when providing financial advice. Today, there are more than 104,000 CFP® professionals (or more than one-third of all retail financial professionals) in all 50 states who operate under different business and compensation models and provide professional services on behalf of investment advisers, broker-dealers, insurance companies, banks, and trust companies.

burdens on these firms. The bill also contains a provision that would tie the threshold for a small entity to inflation, to be updated every five years.

CFP Board Opposes Legislation that May Result in Less Material Disclosure to Investors

We are concerned with proposals that place the interests of the financial services industry ahead of investors, or that may otherwise result in less disclosure to investors, such as the ***Access to Small Business Investor Capital Act (HR 2225)*** and ***HR 3301***.

The ***Access to Small Business Investor Capital Act (HR 2225)*** would allow registered investment companies, such as mutual funds, to exclude specified fees and expenses from the fund's fee table disclosure for investors, commonly known as the acquired fund fees and expenses ("AFFE") table. Such fees are those that the fund incurs indirectly when purchasing shares of a Business Development Company (BDC), which is a type of fund that invests in financially distressed or developing firms. Omitting these fees and expenses, as proposed in the bill, would obscure the actual costs of investing in certain funds, which is critical to investors. While requiring funds to report BDC expenses again under the current fee table disclosure requirements may result in a double counting of BDC expenses that artificially inflates acquiring fund expense ratios, disclosures could be added to allow investors to understand the information in the fee table.

Similarly, ***HR 3301*** would decrease the required filing of profit and loss statements in registration statements by emerging growth companies from three fiscal years to two fiscal years. This change would provide less information to investors who are evaluating investments in these companies.

The Accredited Investor Definition Should be Updated

Further, we agree that it is long past time to update the accredited investor definition and are in support of alternative approaches that more accurately measure qualifying criteria and that balance the goals of investor protection and access to the capital offering market. Net worth and income should not be the sole measures of financial sophistication for determining accredited investor status. However, to the extent that any change to the accredited investor definition grants greater access to the private markets by individuals, it should only be if the modification adequately provides for financial sophistication and does not raise investor risk. In addition, Congress should raise the current income and net worth thresholds for natural persons and index those thresholds to inflation. Furthermore, Congress should add an exclusion to the wealth and income thresholds for retirement assets and income, similar to the exclusion for a person's primary residence. The measures under consideration by the Committee this week (the ***Equal Opportunity for All Investors Act of 2025 (HR 3339)***, the ***Accredited Investor Definition Review Act (HR 3348)***, and the ***Fair Investment Opportunities for Professional Experts Act (HR 3394)***) do not meet these expectations.

If you have any questions or would like to discuss these issues, please contact me at 202-379-2240 or by email at ekoeppel@cfpboard.org.

Sincerely,



Erin Koeppel
Managing Director, Government Relations & Public Policy Counsel