

Suspend the Rules and Pass the Bill, H.R. 835, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

118TH CONGRESS
1ST SESSION

H. R. 835

To amend the Securities Act of 1933 to codify certain qualifications of individuals as accredited investors for purposes of the securities laws.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2023

Mr. HILL (for himself and Mr. SCHWEIKERT) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Act of 1933 to codify certain qualifications of individuals as accredited investors for purposes of the securities laws.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Investment Op-
5 portunities for Professional Experts Act”.

1 **SEC. 2. DEFINITION OF ACCREDITED INVESTOR.**

2 (a) IN GENERAL.—Section 2(a)(15) of the Securities
3 Act of 1933 (15 U.S.C. 77b(a)(15)) is amended—

4 (1) by redesignating subparagraphs (i) and (ii)
5 as subparagraphs (A) and (F), respectively; and

6 (2) in subparagraph (A) (as so redesignated),
7 by striking “; or” and inserting a semicolon, and in-
8 serting after such subparagraph the following:

9 “(B) any natural person whose individual
10 net worth, or joint net worth with that person’s
11 spouse or spousal equivalent, exceeds
12 \$1,000,000 (which amount, along with the
13 amounts set forth in subparagraph (C), shall be
14 adjusted for inflation by the Commission every
15 5 years to the nearest \$10,000 to reflect the
16 change in the Consumer Price Index for All
17 Urban Consumers published by the Bureau of
18 Labor Statistics) where, for purposes of calcu-
19 lating net worth under this subparagraph—

20 “(i) the person’s primary residence
21 shall not be included as an asset;

22 “(ii) indebtedness that is secured by
23 the person’s primary residence, up to the
24 estimated fair market value of the primary
25 residence at the time of the sale of securi-
26 ties, shall not be included as a liability (ex-

1 cept that if the amount of such indebted-
2 ness outstanding at the time of sale of se-
3 curities exceeds the amount outstanding 60
4 days before such time, other than as a re-
5 sult of the acquisition of the primary resi-
6 dence, the amount of such excess shall be
7 included as a liability); and

8 “(iii) indebtedness that is secured by
9 the person’s primary residence in excess of
10 the estimated fair market value of the pri-
11 mary residence at the time of the sale of
12 securities shall be included as a liability;

13 “(C) any natural person who had an indi-
14 vidual income in excess of \$200,000 in each of
15 the 2 most recent years or joint income with
16 that person’s spouse or spousal equivalent in
17 excess of \$300,000 in each of those years and
18 has a reasonable expectation of reaching the
19 same income level in the current year;

20 “(D) any natural person who is currently
21 licensed or registered as a broker or investment
22 adviser by the Commission, the Financial In-
23 dustry Regulatory Authority, or an equivalent
24 self-regulatory organization (as defined in sec-
25 tion 3(a)(26) of the Securities Exchange Act of

1 1934), or the securities division of a State, the
2 District of Columbia, or a territory of the
3 United States or the equivalent division respon-
4 sible for licensing or registration of individuals
5 in connection with securities activities;

6 “(E) any natural person the Commission
7 determines, by regulation, to have demonstrable
8 education or job experience to qualify such per-
9 son as having professional knowledge of a sub-
10 ject related to a particular investment, and
11 whose education or job experience is verified by
12 the Financial Industry Regulatory Authority or
13 an equivalent self-regulatory organization (as
14 defined in section 3(a)(26) of the Securities Ex-
15 change Act of 1934); or”.

16 (b) RULEMAKING.—The Commission shall revise the
17 definition of accredited investor under Regulation D (17
18 CFR 230.501 et seq.) to conform with the amendments
19 made by subsection (a).