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
4 SECTION 1. SHORT TITLE.
5 This Act may be cited as the “Fair Investment Op-

portunities for Professional Experts Act”.

SEC. 2. DEFINITION OF ACCREDITED INVESTOR.

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

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

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

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

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

“(ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (ex-
cept that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability; and

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

“(C) any natural person who had an individual income in excess of $200,000 in each of the 2 most recent years or joint income with that person’s spouse or spousal equivalent in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

“(D) any natural person who is currently licensed or registered as a broker or investment adviser by the Commission, the Financial Industry Regulatory Authority, or an equivalent self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of
1934), or the securities division of a State, the
District of Columbia, or a territory of the
United States or the equivalent division respon-
sible for licensing or registration of individuals
in connection with securities activities;

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

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