

117TH CONGRESS
1ST SESSION

H. R. 3328

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

MAY 19, 2021

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”.

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

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

9 (1) by redesignating clauses (i) and (ii) as sub-
10 paragraphs (A) and (F), respectively; and

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

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

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

17 “(ii) indebtedness that is secured by
18 the person’s primary residence, up to the
19 estimated fair market value of the primary
20 residence at the time of the sale of securi-
21 ties, shall not be included as a liability (ex-
22 cept that if the amount of such indebted-
23 ness outstanding at the time of sale of se-
24 curities exceeds the amount outstanding 60
25 days before such time, other than as a re-

1 sult of the acquisition of the primary resi-
2 dence, the amount of such excess shall be
3 included as a liability); and

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

9 “(C) any natural person who had an indi-
10 vidual income in excess of \$200,000 in each of
11 the 2 most recent years or joint income with
12 that person’s spouse in excess of \$300,000 in
13 each of those years and has a reasonable expect-
14 ation of reaching the same income level in the
15 current year;

16 “(D) any natural person who is currently
17 licensed or registered as a broker or investment
18 adviser by the Commission, the Financial In-
19 dustry Regulatory Authority, or an equivalent
20 self-regulatory organization (as defined in sec-
21 tion 3(a)(26) of the Securities Exchange Act of
22 1934), or the securities division of a State or
23 the equivalent State division responsible for li-
24 censing or registration of individuals in connec-
25 tion with securities activities;

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

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

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