

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

EQUAL OPPORTUNITY FOR ALL INVESTORS ACT OF 2023

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2797) to amend the Securities Act of 1933 to require certification examinations for accredited investors, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2797

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Equal Opportunity for All Investors Act of 2023”.

SEC. 2. CERTIFICATION EXAMINATIONS FOR ACCREDITED INVESTORS.

(a) IN GENERAL.—The Securities and Exchange Commission shall revise the definition of “accredited investor” under Regulation D (section 230.501 of title 15, Code of Federal Regulations) to include any natural person who is certified through the examination required under subsection (b).

(b) ESTABLISHMENT OF EXAMINATION.—Not later than 1 year after the date of the enactment of this Act, the Securities and Exchange Commission shall establish an examination (including a test, certification, or examination program)—

(1) to certify an individual as an accredited investor; and

(2) that—

(A) is designed with an appropriate level of difficulty such that an individual with financial sophistication would be unlikely to fail; and

(B) includes methods to determine whether an individual seeking to be certified as an accredited investor demonstrates competency with respect to—

(i) the different types of securities;

(ii) the disclosure requirements under the securities laws applicable to issuers and private companies as compared to public companies;

(iii) corporate governance;

(iv) financial statements and the components of such statements;

(v) aspects of unregistered securities, securities issued by private companies, and investments into private funds, including risks associated with—

(I) limited liquidity;

(II) limited disclosures;

(III) variance in valuation methods;

(IV) information asymmetry;

(V) leverage risks;

(VI) concentration risk; and

(VII) longer investment horizons;

(vi) potential conflicts of interest, when the interests of the financial professionals and their clients are misaligned or when their professional responsibilities are compromised by financial motivations; and

(vii) other criteria the Commission determines necessary or appropriate in the public interest or for the protection of investors.

(c) ADMINISTRATION.—Beginning not later than 180 days after the date the examination is established under subsection (b), such examination shall be administered and offered free of charge to the public by a registered national securities association under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3).

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Missouri (Mrs. WAGNER) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Missouri.

GENERAL LEAVE

Mrs. WAGNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. WAGNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2797, the Equal Opportunity for All Investors Act. I thank my colleagues, Congressman FLOOD and Congressman NICKEL, for their work on this important piece of bipartisan legislation that will safely increase investment opportunities for everyday investors.

The “accredited investor” definition is intended to limit private market investments to only those investors who are considered “sophisticated.”

□ 1700

To qualify as an accredited investor, an individual must have an annual income of at least \$200,000 or \$300,000 together with a spouse for each of the previous 2 years or a net worth of over \$1 million.

However, using wealth as a proxy for determining sophistication excludes a large pool of investors who may have other types of expertise or experience.

According to estimates from the Securities and Exchange Commission, the SEC, in 2016, about 13 percent of U.S. households qualified as accredited investors.

Additionally, only about 1.3 percent and 2.8 percent of accredited investors are Black and Latino, respectively. H.R. 2797 represents a thoughtful approach to expanding the accredited investor definition to include individuals who are certified through an examination established by the SEC and administered by FINRA.

Under this bill, if you can demonstrate competency with these types of investments through an exam, then you qualify as an accredited investor.

Mr. Speaker, by expanding the pathways to qualify as an accredited investor beyond wealth tests, this bill modernizes the outdated definition that has inappropriately sidelined sophisticated-but-not-wealthy individuals from high-growth asset classes historically reserved for the wealthiest individuals. By doing so, this legislation will help more American families realize the American Dream by building wealth through our capital markets.

For these reasons, I urge my colleagues to support H.R. 2797, and I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2797, the Equal Opportunity for All Investors Act, sponsored by the gentleman from Nebraska. The accredited investor framework serves to protect the general public from investing in high-risk, illiquid, private securities because they lack the safeguards that are a feature of public securities.

Unlike our public capital markets, companies do not provide anywhere near the same financial and other disclosures to investors for private offerings. Private securities also do not offer the same legal protections for investors.

The SEC and State securities regulators do not have the same ability to police the private markets as they can the public markets. The general rationale behind the comparative lack of regulations governing private securities is that institutional investors like private equity funds, hedge funds, banks, and others can demand the disclosures from the company in exchange for their investment and have significant legal resources to hold the company accountable.

These Wall Street players and other big-money investors don't necessarily need the same level of protections when investing as compared to retail investors like working families do. The accredited investor definition ensures that those who are eligible to invest in private securities do, in fact, have the knowledge to know these heightened risks.

Initially, the SEC defined accredited investors to be those who possess an intimate understanding of the risk and had the knowledge base to decide whether to invest in these particular types of securities.

However, the companies needing to raise capital privately and the underwriters and intermediaries facilitating these capital-raising activities argued for a simpler approach, so the SEC adopted the current definition which is based on financial resources.

Today, an accredited investor must meet three criteria: They must have a net worth either individually or with a spouse exceeding \$1 million, excluding the value of their home; make more than \$200,000 a year or \$300,000 with a spouse; or since 2020, hold certain professional certifications or designations, such as being an investment adviser or broker.

This bill being considered under suspension today aims to return to the original concept of accredited investor, which is that investors in these high-risk investment offerings should be fully aware and knowledgeable of the risks involved.

We all know that just because you have a million dollars, it doesn't mean that you understand the complexities of investing. This is why it is important for the SEC to also update the current thresholds so that Wall Street intermediaries are not able to sell unregulated securities to individuals who have become accredited solely based on

the inflated value of their retirement assets.

For example, unfortunately, there are millions of accredited investors who are now being solicited to invest in products they have little knowledge about and the SEC should act to amend the definition of the accredited investors to protect those investors.

On the other hand, we have heard from some investors who really want to try their luck with some of these risky and illiquid investments, but they do not qualify as an accredited investor because they don't meet the wealth or the income test.

The Equal Opportunity for All Investors Act would solve the latter part of this problem by allowing an individual to qualify as an accredited investor if they pass an exam that ensures they are sufficiently versed in the risk of investing in the private markets.

Generally, private markets are understood to have a higher potential for total loss and can be significantly illiquid than the public markets, so having a deep understanding of these risks is necessary to navigate the space. In addition, there are fewer protections for investors when things go wrong with an investment.

With this change, any investor who wants to invest in private securities can now do so if they can pass this test, which would establish they are keenly aware of the particular risks related to high-risk and illiquid securities, as well as the conflicts of interests presented when financial professionals sell these products to investors.

Mr. Speaker, I thank Mr. FLOOD and Chair MCHENRY for working with me to ensure that the test in this bill is established by the SEC and that it contains specific, robust elements that witnesses at previous committee hearings talked about when discussing how they teach and mentor their budding investors. I am also pleased that the tests in this bill would be available free of charge.

I think that this bill will solve the problem of people who are ready to invest, who are not millionaires, they are not billionaires, but they are smart and they know how to determine what the risks are. If they are prepared to take them, then let them do so.

Mr. Speaker, I urge my colleagues to vote "yes" on this bill, and I reserve the balance of my time.

Mrs. WAGNER. Mr. Speaker, I yield to the gentleman from Nebraska (Mr. FLOOD), the author of this piece of legislation.

Mr. FLOOD. Mr. Speaker, I thank the gentlewoman from Missouri for yielding.

Mr. Speaker, the Equal Opportunity for All Investors Act of 2023 will give Americans new opportunities to grow their wealth and savings. I also thank Chairman MCHENRY, Chairwoman WAGNER, Ranking Member WATERS, and my Democratic co-lead WILEY NICKEL for their support of my bill.

This legislation expands the accredited investor definition to include indi-

viduals that are certified, as you have heard today, through an exam written by the SEC and administered by FINRA. It is my firm belief that the accredited investor definition should not be tied exclusively to wealth. Instead, we should unlock opportunities for knowledgeable investors that may not come from means. This bill strikes an effective balance. It brings more investors into the accredited investor pool but also contains guardrails that would filter out individuals that do not fully understand private offerings and the investment risks associated with them.

We have legislation today that would make for a thorough but fair examination for investors that want to become accredited investors.

Mr. Speaker, I urge my colleagues to support my bill.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. NICKEL), the lead cosponsor of this bill.

Mr. NICKEL. Mr. Speaker, I am proud to rise as the co-lead of the Equal Opportunity for All Investors Act with my Republican colleague, MIKE FLOOD, from the great State of Nebraska.

Our bipartisan bill cuts through government red tape to improve choices for investors regardless of their net worth. This will result in greater access to capital for minorities, veterans, and women, and will also spur economic growth in places like North Carolina's Research Triangle Park.

Under the current system, only millionaires can be accredited investors. We want to open up lucrative private securities investments to individuals who have the financial knowledge to understand the risks they are taking on but aren't necessarily millionaires. Our bill does just that by expanding the accredited investor definition which is what allows people to invest in private securities to include individuals that are certified through a robust exam established by the SEC and administered by FINRA.

If you are able to pass a test demonstrating you are financially sophisticated enough to take on the risk of investing in private securities, you should be considered an accredited investor without having to be a millionaire. North Carolina's Research Triangle Park is an essential economic driver from my district. It is home to many small biotech companies working on critical life-changing technologies. Many of these companies rely on accredited investors for capital, so our larger pool of investors will improve their access to funding, spurring growth, and bringing good jobs to working families in North Carolina's 13th Congressional District and around the country.

Additionally, according to Brookings, the average net worth of a typical White family is nearly ten times greater than that of a Black family. By allowing individuals to become accred-

ited investors, regardless of their net worth, this bill will enable more diverse investors to participate in that asset class. Underrepresented entrepreneurs often struggle to access capital, and they greatly benefit from a larger pool of more diverse investors that look like them.

Mr. Speaker, I thank my colleague and co-lead MIKE FLOOD and our Financial Services Committee Ranking Member MAXINE WATERS for her support and her leadership of this bill, along with Chair PATRICK MCHENRY.

Mr. Speaker, the only real solutions in this Congress are going to be bipartisan solutions. This legislation is the result of Democrats and Republicans working together to improve the lives of the people we represent. I urge my colleagues to join me in supporting the Equal Opportunity for All Investors Act.

Mrs. WAGNER. Mr. Speaker, I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself the balance of my time for closing.

Mr. Speaker, it is important to appropriately tailor the accredited investor definition to protect those who do not have the requisite knowledge to make certain investments while creating a pathway for those who have demonstrable knowledge about the risk associated with investing in private securities.

I believe this bill would ensure that those who possess the knowledge and risk appetite for privately-issued securities are able to invest in those.

Mr. Speaker, I, again, urge my colleagues to support this bill that is offered by Mr. FLOOD and Mr. NICKEL, and I yield back the balance of my time.

Mrs. WAGNER. Mr. Speaker, I strongly urge my colleagues to support H.R. 2797, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in support of H.R. 2797 the Equal Opportunity for All Investors Act of 2023, which expands who would be considered an accredited investor for the purposes of participating in private offerings of securities.

Additionally, certain unregistered securities may only be offered to accredited investors.

Furthermore, this bill allows an individual to qualify through an examination established by the Securities and Exchange Commission.

The examination must be designed with an appropriate level of difficulty such that an individual with financial sophistication or training would be unlikely to fail.

It also may include methods to determine competency in certain areas and must be administered by a registered national securities association and offered free of charge to the public.

Currently, accredited investors must satisfy certain requirements indicating their reduced exposure to financial risk, including those related to income, net worth, or knowledge and experience.

I urge all my colleagues to support this legislation.

The SPEAKER pro tempore. The question is on the motion offered by

the gentlewoman from Missouri (Mrs. WAGNER) that the House suspend the rules and pass the bill, H.R. 2797, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mrs. WAGNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

□ 1715

CONDEMNING THE RISE OF ANTI-SEMITISM AND CALLING ON ELECTED OFFICIALS TO IDENTIFY AND EDUCATE OTHERS ON THE CONTRIBUTIONS OF THE JEWISH AMERICAN COMMUNITY

Mr. ISSA. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 382) condemning the rise of antisemitism and calling on elected officials to identify and educate others on the contributions of the Jewish American community, as amended.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 382

Whereas the Senate and House of Representatives have recognized many heritage months that celebrate the various communities that form the mosaic of the United States;

Whereas through recognizing and celebrating heritage months, we learn about one another, honor the richness of the diversity of the United States, and strengthen the fabric of society in the United States;

Whereas Jewish American Heritage Month has its origins in 1980, when Congress enacted a Joint Resolution entitled "Joint Resolution to authorize and request the President to issue a proclamation designating April 21 through April 28, 1980, as 'Jewish Heritage Week'", approved April 24, 1980 (Public Law 96-237; 94 Stat. 338);

Whereas on April 24, 1980, President Carter issued the proclamation for Jewish Heritage Week, and in that proclamation, President Carter spoke about the bountiful contributions made by the Jewish people to the culture and history of the United States;

Whereas Congress has played a central role in recognizing Jewish American Heritage Month since the Senate and the House of Representatives passed resolutions in 2006 and 2005, respectively, urging the President to proclaim the national observance of a month recognizing the Jewish American community;

Whereas since 2006, Presidents Bush, Obama, Trump, and Biden have all issued proclamations for Jewish American Heritage Month, which celebrates Jewish Americans and encourages all people of the United States to learn more about Jewish heritage and the contributions of Jewish people throughout the history of the United States;

Whereas we recognize the significance of Jewish American Heritage Month as a time to celebrate the contributions of Jewish Americans to the society and culture of the United States;

Whereas people of the United States celebrate the rich history of Jewish people in the

United States and the more than 350-year history of Jewish contributions to society in the United States;

Whereas the United States has long served as a haven for Jewish people escaping from oppression in search of liberty, justice, and tolerance;

Whereas the Jewish American community dates back to 1654, when a group of 23 Jewish people, fleeing persecution at the hands of the Portuguese Inquisition, fled Brazil and found refuge in what is now New York City;

Whereas Jewish Americans have established deep roots in communities across the United States, and served their neighbors and the United States as loyal and patriotic citizens, always grateful for the safe harbor that the United States has provided for them;

Whereas the Jewish American community has since grown to over 6,000,000 people, representing approximately 2 percent of the population of the United States in 2023;

Whereas Jewish Americans have served in government and the military, won Nobel prizes, led universities and corporations, advanced medicine and philanthropy, created and performed in enduring works of performing and visual art, written great novels, become emblems of justice as members of the Supreme Court of the United States, and so much more;

Whereas Jewish Americans have been subjected to a recent surge in antisemitism as the Anti-Defamation League's (ADL) 2022 Audit of Antisemitic Incidents tracked 3,697 antisemitic incidents in the United States, representing a 36-percent increase from 2021 and the largest number on record since the Anti-Defamation League began tracking antisemitic incidents in 1979;

Whereas the rise in antisemitism is being felt by ordinary people in the United States, as a report by the American Jewish Committee revealed that—

(1) 89 percent of Jewish respondents believe antisemitism is a problem in the United States; and

(2) 4 in 10 Jewish Americans reported changing their behavior in at least 1 way out of fear of antisemitism;

Whereas over the course of the past decade, Holocaust distortion and denial has grown in intensity;

Whereas a 2020 survey of all 50 States on Holocaust knowledge among Millennials and Generation Z, conducted by the Conference on Jewish Material Claims Against Germany, found a clear lack of awareness of key historical facts, including—

(1) 63 percent of respondents did not know that 6,000,000 Jews were murdered during the Holocaust; and

(2) 36 percent of respondents thought that "two million or fewer Jews" were killed;

Whereas the Federal Bureau of Investigation has aggregated 2021 hate crime data showing that Jewish people remain the single most targeted religious minority in the United States;

Whereas the most effective ways to counter the increase in antisemitic actions are through education, awareness, and the uplifting of Jewish voices, while highlighting the contributions that Jewish Americans have made to the United States; and

Whereas the strength of a society can be measured by how that society protects its minority populations and celebrates their contributions, it is altogether fitting for the United States to once again mark the month of May as Jewish American Heritage Month: Now, therefore, be it

Resolved, That the House of Representatives—

(1) calls on elected officials, faith leaders, and civil society leaders to condemn and combat any and all acts of antisemitism;

(2) takes all possible steps to ensure the safety and security of Jewish American communities; and

(3) calls on the Executive Branch and civic leaders to identify and educate the public on the contributions of the Jewish American community

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. ISSA) and the gentleman from New York (Mr. NADLER) each will control 20 minutes.

The Chair recognizes the gentleman from California.

GENERAL LEAVE

Mr. ISSA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on H. Res. 382, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ISSA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Jewish American Heritage Month, first proclaimed by George W. Bush in 2006 and by each successive President since, recognizes the great contribution that the Jewish community has given to this country since its founding. Recognizing this month is particularly important because of the rise of anti-Semitism over the last few years.

Recently, Mr. Speaker, the Judiciary Committee heard testimony regarding anti-Semitism and the violence that has now erupted.

In our hearing, Barry Borgen told the committee about attacks on his son in New York City. Joseph Borgen was targeted simply for wearing his yarmulke and was beaten by several individuals for nothing other than being recognized as an observant Jew. He was kicked, punched, hit, and, in fact, pepper sprayed by his attackers in a horrific attack simply because of his faith.

At this time around the world, we see the rise of anti-Semitism. America for more than half a century, for almost a century, has become the beacon of freedom for the world. In that time, we have had to show the world that anti-Semitism has no place in America and should have no place in the rest of the world.

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution, recognizing Jewish American Heritage Month and the important contributions that Jewish Americans have made to our history, our society, and our culture. I thank Congresswoman WASSERMAN SCHULTZ for introducing this resolution and for her tireless work on this topic.

We, in the House of Representatives, have been marking Jewish American Heritage Month since 2005. Of course, Jewish contributions to the mosaic of the United States began centuries ago.