

## Union Calendar No. 64

118TH CONGRESS  
1ST SESSION

# H. R. 835

**[Report No. 118–87]**

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

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### 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

JUNE 5, 2023

Additional sponsors: Mr. DONALDS, Mr. VARGAS, Mr. LAWLER, Mr.  
DAVIDSON, Mr. STEIL, and Mr. EMMER

JUNE 5, 2023

Reported with an amendment, committed to the Committee of the Whole  
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on February 6, 2023]

# **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 Oppor-*  
5 *tunities 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 subparagraphs (i) and (ii)*  
10 *as subparagraphs (A) and (F), respectively; and*

11            *(2) in subparagraph (A) (as so redesignated), by*  
12 *striking “; or” and inserting a semicolon, and insert-*  
13 *ing after such subparagraph the following:*

14            *“(B) any natural person whose individual*  
15 *net worth, or joint net worth with that person’s*  
16 *spouse or spousal equivalent, exceeds \$1,000,000*  
17 *(which amount, along with the amounts set forth*  
18 *in subparagraph (C), shall be adjusted for infla-*  
19 *tion by the Commission every 5 years to the*  
20 *nearest \$10,000 to reflect the change in the Con-*  
21 *sumer Price Index for All Urban Consumers*  
22 *published by the Bureau of Labor Statistics)*  
23 *where, for purposes of calculating net worth*  
24 *under this subparagraph—*

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

3           “(ii) indebtedness that is secured by  
4 the person’s primary residence, up to the es-  
5 timated fair market value of the primary  
6 residence at the time of the sale of securities,  
7 shall not be included as a liability (except  
8 that if the amount of such indebtedness out-  
9 standing at the time of sale of securities ex-  
10 ceeds the amount outstanding 60 days be-  
11 fore such time, other than as a result of the  
12 acquisition of the primary residence, the  
13 amount of such excess shall be included as  
14 a liability); and

15           “(iii) indebtedness that is secured by  
16 the person’s primary residence in excess of  
17 the estimated fair market value of the pri-  
18 mary residence at the time of the sale of se-  
19 curities shall be included as a liability;

20           “(C) any natural person who had an indi-  
21 vidual income in excess of \$200,000 in each of  
22 the 2 most recent years or joint income with that  
23 person’s spouse or spousal equivalent in excess of  
24 \$300,000 in each of those years and has a rea-

1            *sonable expectation of reaching the same income*  
2            *level in the current year;*

3            *“(D) any natural person who is currently*  
4            *licensed or registered as a broker or investment*  
5            *adviser by the Commission, the Financial Indus-*  
6            *try Regulatory Authority, or an equivalent self-*  
7            *regulatory organization (as defined in section*  
8            *3(a)(26) of the Securities Exchange Act of 1934),*  
9            *or the securities division of a State, the District*  
10           *of Columbia, or a territory of the United States*  
11           *or the equivalent division responsible for licens-*  
12           *ing or registration of individuals in connection*  
13           *with securities activities;*

14           *“(E) any natural person the Commission*  
15           *determines, by regulation, to have demonstrable*  
16           *education or job experience to qualify such per-*  
17           *son as having professional knowledge of a subject*  
18           *related to a particular investment, and whose*  
19           *education or job experience is verified by the Fi-*  
20           *nancial Industry Regulatory Authority or an*  
21           *equivalent self-regulatory organization (as de-*  
22           *defined in section 3(a)(26) of the Securities Ex-*  
23           *change Act of 1934); or”.*

24           *(b) RULEMAKING.—The Commission shall revise the*  
25           *definition of accredited investor under Regulation D (17*

- 1 *CFR 230.501 et seq.) to conform with the amendments made*
- 2 *by subsection (a).*



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1<sup>ST</sup> Session

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