



NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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May 9, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

Re: H.R. 5914, the Empowering States to Protect Seniors from Bad Actors Act

Dear Speaker Pelosi and Leader McCarthy:

On behalf of the North American Securities Administrators Association, Inc. (“NASAA”),¹ I am writing to express our full support for H.R. 5914, the Empowering States to Protect Seniors from Bad Actors Act, as amended, ahead of an anticipated floor vote scheduled for Tuesday, May 10, 2022. NASAA called on Congress once again last year to place the interests of investors front-and-center and take steps to prevent the exploitation of older investors. Passage of H.R. 5914 would do both.²

In short, this bicameral, bipartisan legislation is a win for everyone, particularly older adults.³ The legislation would establish a grant program to enhance existing efforts by state securities and insurance regulators to protect senior investors and policyholders from financial fraud. Importantly, with respect to the grant program, the bill would: (A) make the U.S. Securities and Exchange Commission (“SEC”) the program administrator; (B) give the SEC the authority and tools necessary to operate a data-driven grant program; (C) empower the SEC to make grants to state securities and insurance regulators from across the United States; (D) authorize an appropriation of \$10,000,000 to the SEC for each of the fiscal years 2023 through 2028 to make such grants; (E) require the SEC to cap each grant at \$500,000; and (F) effectively create more opportunities for federal and state securities regulators to communicate and coordinate in their efforts to protect senior investors.

¹ Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA’s membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico, and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grassroots investor protection and efficient capital formation.

² See [NASAA’s Legislative Agenda Calls for Congress to Prioritize Investor Protection](#) (Mar. 8, 2021).

³ In November 2021, Congressman Josh Gottheimer (D-NJ) introduced H.R. 5914. The House Financial Services Committee approved H.R. 5914 by a voice vote. During the mark-up, Rep. Gottheimer, Rep. Sylvia Garcia (D-TX), and Rep. Bill Huizenga (R-MI) urged their colleagues to approve the legislation. Read [NASAA’s letter of support](#). Reps. Garcia and Huizenga are cosponsors, as is Rep. Brian Fitzpatrick (R-PA). In January 2022, Sens. Van Hollen (D-MD), T. Scott (R-SC), Warnock (D-GA), and Lummis (R-WY) introduced this legislation in the Senate. Read [the news release](#) and [NASAA’s letter of support](#) for S. 3529.

As you know, state securities regulators have been leaders for decades in the effort to protect seniors and other vulnerable adults from financial exploitation. We have developed strategic partnerships with the SEC and other regulators, state and federal law enforcement agencies, and organizations dedicated to serving older adults. In addition, we have prioritized senior-focused education, outreach, examination, and enforcement.⁴ By way of example, we joined forces to identify and stop abusive sales practices at so-called “free lunch” or “free dinner” seminars and dedicated significant resources in supporting the passage and implementation of NASAA’s Model Act to Protect Vulnerable Adults from Financial Exploitation, which most states have adopted in whole or in part.⁵

NASAA urges the House of Representatives to pass H.R. 5914. Unanimous support for this bicameral, bipartisan legislation would be yet another message to elderly investors across the United States that we are all in their corner.

Thank you for your consideration of NASAA’s comments. Should you have any questions, please do not hesitate to contact me or Kristen Hutchens, NASAA’s Director of Policy and Government Affairs, and Policy Counsel, at khutchens@nasaa.org.

Sincerely,



Melanie Senter Lubin
NASAA President
Maryland Securities Commissioner

⁴ Among other efforts to collaborate, the SEC and NASAA have released numerous education resources for senior investors, as well as training materials and other resources for financial firms that serve senior investors. *See, e.g.*, SEC and NASAA, [Making Sense of Financial Professional Titles](#) (Sept. 2013); [NASAA, SEC & FINRA Issue Senior Safe Act Fact Sheet to Help Promote Greater Reporting of Suspected Senior Financial Exploitation](#) (May 23, 2019); [NASAA, SEC and FINRA Offer Free Resource to Securities Firms to Assist in Detection, Prevention, and Reporting of Financial Exploitation of Seniors](#) (June 15, 2021); [FINRA, NASAA and SEC OIEA Urge Investors to Establish a Trusted Contact to Increase Investor Protection](#) (Sept. 28, 2021); [NASAA Releases Annual Enforcement Report](#) (Sept. 29, 2021); [NASAA, SEC to Jointly Host First Older Investor Roundtable Focused on Emerging Issues and Protection Challenges](#) (Apr. 25, 2022).

⁵ *See* [AARP and NASAA Launch “Free Lunch Seminar Monitor” Program](#) (Oct. 14, 2008) and [NASAA Model Act to Protect Vulnerable Adults from Financial Exploitation, State Enactment List](#).