

**Congress of the United States**  
**Washington, DC 20515**

September 15, 2022

Melanie Senter Lubin  
Maryland Securities Commissioner  
President, North American Securities Administrators Association (NASAA)  
750 First Street, N.E., Suite 990  
Washington, D.C. 20002

Dear Commissioner Lubin,

We are writing to express our concerns with the North American Securities Administrators Association (NASAA) revisions to its Statement of Policy Regarding Real Estate Investment Trusts (the “Proposal”).

This proposal, which was initially given a 30-day comment window, may cause unintended and unnecessary risks to the strength and stability of U.S. real estate markets. Federally regulated public non-listed real estate investment trusts (REITs) are a growing source of capital to the acquisition and development of affordable housing, commercial properties for small businesses, and other types of real estate that supports economic growth and employment. Continued investment in infrastructure such as warehouses that are an essential link to the nation’s supply chain increases the capital directed toward this national priority.

The proposed concentration, net worth, and gross income limits may prevent many investors from attaining adequate portfolio diversification by investing in non-listed REITs. Real estate can provide investors with portfolio diversification, inflation protection, a source of income and long-term growth. The Proposal would impose restrictions that limit investor choice and may prevent investors from attaining sufficient retirement savings. The impediments to investment in federally regulated non-listed REITs could push investors into less regulated products.

Many small and medium sized businesses lack access to our capital markets. The inclusion of affiliated products, including investment companies and business development companies, in the proposed concentration limits may severely limit access to capital for these companies, including minority-owned, women-owned, and veteran-owned businesses that do not have access to traditional sources of capital. The affiliate language extends beyond these products to listed funds, mutual funds and exchanged-traded funds offered by well-established asset managers.

As you know, non-listed REITs are regulated by the SEC and FINRA, subject to the reporting requirements of any public company, and distributed to investors through federally regulated broker-dealers and registered investment advisers. The federal government has established standards of conduct for these investment professionals, who know their customer’s

financial situation, liquidity needs, and investment objectives. The Proposal would establish new, additional standards of conduct on broker-dealers and investment advisers that may conflict with the federally established obligations and interfere in the relationship with their customer.


Thank you for your attention to these important matters. We look forward to your response.

Sincerely,



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Bill Huizenga  
Member of Congress



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Tom Emmer  
Member of Congress



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Young Kim  
Member of Congress

CC:

Andrew Hartnett, President Elect, Iowa Securities Commissioner  
Andrea Seidt, NASAA Section Chair, Ohio Securities Commissioner  
Mark Heurman, NASAA Project Group Chair, Ohio Division of Securities