
From: [NAME]
Sent: [DATE & TIME]
To: NASAA Comments
Subject: Opposition to NASAA's Proposed Statement of Policy Regarding REITs

Dear North American Securities Administrators Association,

As a [STATE] taxpayer, I write in strong opposition to NASAA's proposed revisions to its Statement of Policy Regarding Real Estate Investment Trusts. The proposal would limit investor choice by keeping many investors from a popular source of portfolio diversification, inflation hedge, and income, particularly in today's volatile and uncertain market.

In addition to limiting important investments in private real estate, credit and other portfolio diversifying investments, the proposal would interfere with federal regulation and impose unworkable requirements on non-traded REIT sponsors and financial intermediaries.

First, the proposal would impose arbitrary and conflicting concentration limits on an investor's overall investment in REITs and other securities – to no more than 10% of liquid net worth - and increase net worth and gross income limits on investors. These limits apply to any investor no matter how sophisticated or financially secure. The concentration limit would extend not only to REITs but to other highly regulated investment options offered by major asset managers, including business development companies, listed REITs, mutual funds, exchange-traded funds, interval funds, tender offer funds, and private offerings.

Second, the proposal would impose an array of federal and state conduct standards on broker-dealers, investment advisers and REIT sponsors. The Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA) effectively and comprehensively regulate those financial professionals and product sponsors. Investors should be able to make their investment decisions, including concentration and diversification, with their financial professionals, who must consider, among other factors, the liquidity needs, investment objectives, and net worth and income of each customer.

Third, the proposal effectively creates new federal and state law regarding the use of offering proceeds. The blanket prohibition on fund distributions could jeopardize a company's tax status as a REIT and interfere with both a REIT Board of Directors' fiduciary obligation and Maryland (REIT) corporation law.

Finally, the proposal will negatively impact local economic development and capital formation. The NAV REIT sector, which are almost exclusively active today, has been a significant source of economic activity and employment, supporting thousands of jobs in the health care facilities, apartment buildings, shopping centers, office buildings and industrial warehouses. Moreover, the proposal will impact funding and growth for small and mid-sized U.S. businesses that may not have access to traditional sources of financing.

Because of all the concerns addressed above, I urge you to reject the proposal in its entirety.

Regards,

[NAME]
[ADDRESS]

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.