



HOME BUILDERS ASSOCIATION OF MIDDLE TENNESSEE

November 30, 2023

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Stephen Bouchard
Broker-Dealer Section Chair
North American Securities Administrators Association

Re: Proposed Revisions to NASAA’s Dishonest or Unethical Business Practices of Broker-Dealers and Agents Model Rule

*Sent via electronic email to NASAAComments@nasaa.org
CC: kopletona@dca.njoag.gov; stephen.bouchard@dc.gov; Carter.Lawrence@tn.gov;
Elizabeth.Bowling@tn.gov;*

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Dear Ms. Kopleton and Mr. Bouchard,

We hope this letter finds you well. The Home Builders Association of Middle Tennessee (HBAMT) writes to you today to express our concerns about the North American Securities Administrators Association’s (NASAA) proposed revisions to its model rule on Dishonest or Unethical Business Practices of Broker-Dealers and Agents. While we appreciate NASAA’s aim to align its standards with the SEC’s Regulation Best Interest (Reg BI), we find elements of the proposed amendments troubling, and urge NASAA to withdraw their proposal as it is currently written.

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HBAMT’s mission is to help all residents of Middle Tennessee achieve the dream of home ownership. A large part of this mission depends upon effective financial planning, especially for those looking to buy and sell during their retirement years. It is critically important that Americans have access to the best investment products and advice, especially as they build toward such financial aspirations as retirement and homeownership. Unfortunately, NASAA’s proposed rule changes would only place barriers in between Americans and needed financial services.

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For one thing, the introduction of a “menu” of state options raises concerns about the deviation from the intended goal of uniformity among state regulations. This departure could potentially create disparities and only raise the burden of the current regulatory framework as investors and advisors have to contend with different rules across state borders.

Additionally, the proposed changes will only make it more difficult for independent broker-dealers to operate in certain states and offer their services to middle and low-income Americans. This includes the changes to the types of compensation that can be received or even restrictions on the types of advertising that can be allowed before being considered “financial advice.” These kinds of restrictions would drastically impact the ability of independent advisors to act effectively and may ultimately limit access to financial services for those that need them most.

Because of this, HBAMT is opposed to NASAA’s proposed amendments as they are currently written due to how they may impact the work we have been doing since 1945 to better prepare residents for home ownership throughout their lives. Any decisions that negatively impact the ability of Americans to plan for their financial future will ultimately impede this goal.

We urge thorough consideration of the proposed rule changes by all stakeholders. A collaborative discussion involving industry participants is crucial to achieving regulatory frameworks that benefit all.

Thank you for your attention to this matter, and we hope you commit to fostering a regulatory environment that supports the financial goals of all Americans.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brandon Rickman', with a stylized flourish at the end.

Brandon Rickman
2023 HBAMT President

A handwritten signature in black ink, appearing to read 'John Sheley', with a large, sweeping initial 'J'.

John Sheley
HBAMT Executive Vice-President