



December 4, 2023

Amy Kopleton
Broker-Dealer Market / Regulatory Policy and Review Project Group Chair
Stephen Bouchard
Broker-Dealer Section Chair
North American Securities Administrators Association
750 First Street, N.E.
Suite 990
Washington, D.C. 20002

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*

Dear Ms. Kopleton and Mr. Bouchard:

I write on behalf of the Hispanic Leadership Fund (HLF), a non-partisan advocacy organization dedicated to strengthening working families by advancing common-sense public policy solutions that foster liberty, opportunity, and prosperity. I am contacting you to express our staunch opposition to 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.

As currently written, NASAA's proposal poses a threat to the ability of many Americans, especially those in underserved communities, to effectively save for their retirement.

The proposed amendments effectively work to advance state level rules that are largely similar to the U.S. Department of Labor's (DOL) 2016 Fiduciary Rule, which was rightly struck down in 2018 by a U.S. Court of Appeals. HLF commissioned an in-depth analysis of this rule, and the resulting report demonstrated, not just the damage done to ordinary Americans' financial well-being during the rule's short existence, but also showed the damage that could be caused by reestablishing this approach. For example, our study showed that reinstating the Fiduciary Rule could reduce the retirement savings of 2.7 million individuals with incomes below \$100,000 by \$140 billion over ten

years. Risking a similar fate with NASAA's plan would devastate the finances of countless hard-working Americans.

The current proposal would also sow chaos by undermining the uniformity created by the Securities and Exchange Commission's Regulation Best Interest and creating a mixed landscape of state regulations. The cumulative effect is likely to push financial professionals out of business in certain states and would jeopardize access to financial products and services for working families.

HLF's research also showed that following the path of DOL's 2016 Fiduciary Rule would contribute to a roughly 20% increase in the wealth gap for Black and Hispanic Americans—and that only considers accumulated IRA savings.

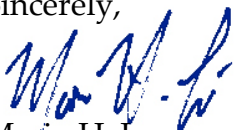
The reality is that commission-based financial professionals play a vital role in serving clients with low- to middle-incomes, providing access to safer and more stable financial products. Saddling these individuals with byzantine regulations will not have the intended effect of helping the consumer.

Having faced the challenges of building a solid financial future firsthand, I understand the importance of creating an environment that facilitates retirement savings for all. It is alarming to witness potential rules that might hinder this process, particularly for individuals in communities with limited access to financial resources and information.

HLF recognizes that consumer protection should indeed be fundamental to any regulatory approach in this area. However, any regulatory structure that in effect cuts off less affluent individuals and families from receiving all possible advice and information is clearly the wrong answer. Instead, all regulators and actors in this space should commit to establishing an environment that simplifies the process of creating and building wealth for working families. It is alarming to know that NASAA is contemplating a regulatory regime that will disproportionately affect low- and middle-income families. HLF urgently requests that you consider the potential harm such a regulatory regime could cause and withdraw the current proposal.

Thank you for your consideration and for the opportunity to provide input on this matter.

Sincerely,



Mario H. Lopez

President

Hispanic Leadership Fund