NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.
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December 8, 2025

The Honorable Tim Scott (R-SC)
Chairman
U.S. Senate Committee on Banking, Housing, and Urban Affairs
Washington, DC 20515

The Honorable Elizabeth Warren (D-MA)
Ranking Member
U.S. Senate Committee on Banking, Housing, and Urban Affairs
Washington, DC 20515

RE: NAPSA Calls on Congress to Preserve the States' Ability to Protect Older Americans

Dear Chairman Scott and Ranking Member Warren:

On behalf of the North American Securities Administrators Association, Inc. ("NASAA"),[1] I write to share with you a letter signed by the Executive Director of the National Adult Protective Services Association ("NAPSA"). NAPSA expresses concern with the Responsible Financial Innovation Act of 2025 dated September 5, 2025, stating the bill risks undermining the ability of states to protect their residents by preempting critical state consumer protection laws and enforcement tools. NAPSA also notes that the present draft would diminish state securities regulators' ability to contribute to state funds that support vulnerable older adults and people with disabilities susceptible to financial exploitation.

I appreciate your continued attention to the many stakeholders who like NASAA are calling on Congress to prioritize and preserve states' rights and authorities in your consideration of legislation that would shape the future of our securities and commodities markets. Should you or your colleagues have any questions, please do not hesitate to contact Kristen Hutchens, NASAA's Director of Policy and Government Affairs, and Policy Counsel, at khutchens@nasaa.org.

Sincerely,

Marni Rock Gibson
NASAA President

Enclosure

[1] NASAA's membership includes state securities and commodities regulators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam, as well as regulators from Canada and México.

December 5, 2025

The Honorable Tim Scott (R-SC)
Chairman
U.S. Senate Committee on Banking, Housing, and Urban Affairs
Washington, DC 20515

The Honorable Elizabeth Warren (D-MA)
Ranking Member
U.S. Senate Committee on Banking, Housing, and Urban Affairs
Washington, DC 20515

RE: Preserve the States' Ability to Protect Older Americans

Dear Chairman Scott and Ranking Member Warren:

NAPSA writes to express opposition to provisions in the Responsible Financial Innovation Act of 2025 dated September 5, 2025, that would undermine the ability of state securities regulators to continue working with the securities industry to protect older Americans throughout the United States from fraud and abuse. As presently written, the bill would undermine well-settled principles of securities regulation, making it more difficult for regulators to stop online scams and other investment frauds, and would remove important guardrails designed to screen out bad actors from the securities marketplace.

First, Congress should not weaken the safeguards provided by state registration and licensing laws for securities firms and professionals. These laws promote trust in the capital markets by setting important professional conduct and knowledge standards. Additionally, state registration and licensing programs provide the investing public with access to important background information on securities professionals, allowing investors to review a person's or firm's regulatory history before trusting them with their life savings. If Congress were to weaken state laws in this manner, it would unravel critical state report-and-hold laws that industry and regulators developed collaboratively during the last 15 years to mitigate financial exploitation of vulnerable Americans in all corners of the United States.

Second, Congress should not enact laws that weaken existing state anti-fraud authority. State securities regulators are an ally in our efforts to keep scammers out of our securities markets. In the last decade, state securities regulators have dedicated significant resources to help tackle the online scam epidemic that has spread across the country and resulted in the loss of billions of dollars to fraudsters across the globe. To protect the thousands of fraud victims across the country who are being helped by states currently and to let scammers across the globe know that states are and will remain an integral part of the U.S. response to online scams moving forward, Congress should explicitly preserve state anti-fraud enforcement authority as it exists today.

NAPSA understands that NASAA also has serious concerns with Section 105, a provision that would redefine the investment contract test. Both federal and state securities regulators rely, sometimes exclusively, on this principle to act against the new and emerging frauds that are targeting Americans today. We share their concerns regarding Section 105 insofar as the section will make it easier for scammers to undermine the efforts of industry and regulators to keep scammers and other fraudsters out of our securities markets.

The proposed legislation also raises significant concerns regarding its effect on support services for vulnerable older adults and people with disabilities susceptible to financial exploitation. The primary response system for these victims, Adult Protective Services ("APS"), currently operates with substantial funding shortfalls. Diminishing the state securities regulator's contributions to the state's general fund would consequently negatively affect 86% of state APS programs funded by this source. Adopting these recommendations is critical to ensuring the protection of these populations.

In closing, Congress must ensure that, as it seeks to enact laws to regulate the offer and sale of digital assets, the vital protections highlighted above remain in place. Congress should, therefore, maintain the critical guardrails provided through state registration and licensing laws, protect existing state anti-fraud authority, and preserve the existing investment contract laws. Investors deserve no less.

Sincerely,

Jennifer Spoeri
National Adult Protective Services Association
Executive Director