



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

750 First Street N.E., Suite 1140

Washington, D.C. 20002

202-737-0900

Fax: 202-783-3571

www.nasaa.org

November 15, 2021

The Honorable Maxine Waters
Chairwoman
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Member
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Re: NASAA's support for H.R. 5914, the Empowering States to Protect Seniors from Bad Actors Act, as amended

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the North American Securities Administrators Association, Inc. ("NASAA"),¹ I am writing to express strong support for H.R. 5914, the Empowering States to Protect Seniors from Bad Actors Act, as amended ("H.R. 5914") and to urge the House Financial Services Committee ("HFSC") to approve this bill during the mark-up scheduled for November 16, 2021.² As you know, consistent with NASAA's longstanding efforts to protect our nation's most vulnerable investors, NASAA called on Congress once again earlier this year to place the interests of investors front-and-center and take steps to prevent the exploitation of elderly investors.³ Passage of H.R. 5914 would do both.

In short, this bill would establish a grant program that would enhance existing efforts by state securities and insurance regulators to protect senior investors and policyholders from financial fraud. Importantly, with respect to the grant program, the bill would: (A) make the U.S. Securities and Exchange Commission ("SEC") the program administrator; (B) give the SEC the authority and tools necessary to operate a data-driven grant program; (C) empower the SEC to make grants to state regulators from across the United States; (D) authorize an appropriation of \$10,000,000 to the SEC for each of the fiscal years 2023 through 2028 to make such grants; (E) require the SEC to cap each grant at \$500,000; and (F) effectively create more opportunities for federal and state securities regulators to communicate and coordinate in their efforts to protect senior investors.

¹ Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA's membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico, and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grassroots investor protection and efficient capital formation.

² See [an amendment in the nature of a substitute](#) offered by Rep. Gottheimer.

³ See [NASAA's Legislative Agenda Calls for Congress to Prioritize Investor Protection](#) (Mar. 8, 2021).

As a policy matter, this legislation is a win for everyone, particularly older adults. For decades, state securities regulators have been a leader in the effort to protect seniors and other vulnerable adults from financial exploitation. We have developed strategic partnerships with the SEC and other regulators, state and federal law enforcement agencies, and organizations focused on serving seniors. In addition, we have prioritized senior-focused education, outreach, examination, and enforcement.⁴ By way of example, we joined forces to identify and stop abusive sales practices at so-called “free lunch” or “free dinner” seminars and support the passage and implementation of NASAA’s Model Act to Protect Vulnerable Adults from Financial Exploitation, which 32 states have adopted in whole or in part.⁵

In conclusion, NASAA urges swift, bipartisan approval of this important legislation. The HFSC’s unanimous support for this legislation would be yet another message to elderly investors across the United States that we are all in their corner.

Thank you for your consideration of NASAA’s comments. Should you have any questions, please do not hesitate to contact me or Kristen Hutchens, NASAA’s Deputy Director of Policy and Government Affairs, and Policy Counsel, at khutchens@nasaa.org.

Sincerely,



Melanie Senter Lubin
NASAA President
Maryland Securities Commissioner

CC: The Honorable Josh Gottheimer

⁴ Among other efforts to collaborate, the SEC and NASAA have released numerous education resources for senior investors, as well as training materials and other resources for financial firms that serve senior investors. *See, e.g.*, SEC and NASAA, [Making Sense of Financial Professional Titles](#) (Sept. 2013); [NASAA, SEC & FINRA Issue Senior Safe Act Fact Sheet to Help Promote Greater Reporting of Suspected Senior Financial Exploitation](#) (May 23, 2019); [NASAA, SEC and FINRA Offer Free Resource to Securities Firms to Assist in Detection, Prevention, and Reporting of Financial Exploitation of Seniors](#) (June 15, 2021); [FINRA, NASAA and SEC OIEA Urge Investors to Establish a Trusted Contact to Increase Investor Protection](#) (Sept. 28, 2021); [NASAA Releases Annual Enforcement Report](#) (Sept. 29, 2021).

⁵ *See* [AARP and NASAA Launch “Free Lunch Seminar Monitor” Program](#) (Oct. 14, 2008) and [NASAA Model Act to Protect Vulnerable Adults from Financial Exploitation, State Enactment List](#).