



July 21, 2025

The Honorable French Hill
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hill and Ranking Member Waters:

In advance of your Committee's July 22, 2025 markup, the U.S. Chamber of Commerce expresses our support for several bills the Committee will consider.

The Chamber commends the Committee for its continued work to advance capital formation legislation and to improve the financial regulatory architecture in the United States. By expanding investor access and modernizing securities regulation, these legislative proposals will help maintain the U.S. capital markets as the global gold standard. We support measures that enhance opportunities for businesses to raise capital at every stage of their lifecycle, from startup to IPO, ensuring that both private and public markets are strengthened. The Chamber looks forward to collaborating with the Committee to further these initiatives and promote a robust and inclusive financial environment.

The Chamber supports the following bills:

H.R. 4429, The Developing and Empowering Our Aspiring Leaders (DEAL) Act

The "Developing and Empowering our Aspiring Leaders Act" would amend Registered Investment Adviser (RIA) rules promulgated by the SEC that have disincentivized some venture capital funds from investing in Emerging Growth Companies (EGCs). The 2010 Dodd-Frank Act sought to exempt venture capital funds from the costs and challenges associated with becoming an RIA. However, the definition of "venture capital fund" promulgated by the SEC pursuant to Dodd-Frank was too narrow and did not meet the Dodd-Frank statutory obligations of a full venture capital exemption. The current definition ignores critical elements and developments related to the venture capital industry, including growth equity firms which can often be investors in EGCs around the time they are considering a public offering. Shares of EGCs, including the purchase of EGC shares on the secondary market, should be considered qualifying investments. Creating a more accurate

venture capital exemption definition – which the DEAL Act would do – would expand the pool of possible investors for EGCs.

H.R. 4431, The Improving Capital Allocation for Newcomers (ICAN) Act

This bill would promote venture capital investing in all regions of the country. The bill would make changes to the requirements for a fund to be able to rely on the qualifying venture capital fund exemption under Section 3(c)(1) of the Investment Company Act. This legislation would help mitigate regulatory burdens that can disincentivize fund formation and choke off capital to startup firms.

H.R. 3673, The Small Business Investor Capital Access Act

Title IV of the 2010 Dodd-Frank Act replaced the longstanding private fund exemption with a requirement that private funds with at least \$150 million in assets under management (AUM) become subject to SEC registration and supervision. Even fifteen years ago, this \$150 million AUM threshold was extremely low and encompassed many smaller funds that do not have substantial compliance resources. Very soon after Dodd-Frank was signed into law, members of the House Financial Services Committee worked on a bipartisan basis to revise this new mandate, understanding that it would create barriers to entry and inhibit the ability of many funds to invest in small and middle market businesses.

However, the \$150 million AUM threshold still has not been revised and remains in effect today. The Chamber commends the recent bipartisan work of Reps. Barr and Velazquez to introduce the Small Business Investor Capital Access Act. This bill would index the \$150 million threshold for inflation dating back to 2010, and then annually thereafter. This will ensure that the line determining SEC registration is more reflective of growth within the economy and within the private capital markets.

H.R. 4430, The Expanding WKSJ Eligibility Act

“WKSJs” are a class of issuer that benefit from certain tailored regulations which allow these companies to raise additional capital and communicate with potential investors in a more cost-effective manner. One of the more impactful items that WKSJs benefit from is the ability to use automatic “shelf” registration statements that permit a WKSJ to raise capital more quickly. The Chamber supports expanding this important mechanism to more issuers as it will vastly improve the capital raising process for public companies.

H.R. 3446, The FDIC Board Accountability Act

This legislation mandates that board members have expertise in state bank supervision and small depository institutions and imposes robust term limits, ensuring the FDIC Board remains dynamic, accountable, and representative of all segments of the banking sector. Converting the CFPB Director's position to a non-voting observer preserves vital consumer-protection insights while preventing any single agency from wielding disproportionate influence over deposit-insurance policy. These balanced reforms will enhance transparency, promote competitive markets, and strengthen the resilience of community and regional banks that drive local economic growth.

H.R. 4478, The Tailored Regulatory Updates for Supervisory Testing (TRUST) Act of 2025

This legislation would recalibrate the examination cycle for small banks and would qualify more banks for an 18-month examination cycle, rather than the standard 12 months cycle that applies to larger institutions. The bill would raise the current eligibility thresholds for the 18-month cycle from banks with \$3 billion or less in consolidated assets to those with \$10 billion or less in consolidated assets. This would provide regulatory and compliance relief for many well-managed and well-capitalized small banks that are integral to consumers and businesses in communities all across the country.

H.R. 4437, The Supervisory Modifications for Appropriate Risk-based Testing (SMART) Act of 2025

Similar to the TRUST Act, the SMART Act would provide additional regulatory relief for small banks and credit unions by allowing for alternating limited-scope examinations and combining safety and soundness and consumer compliance exams. Importantly, relief under the bill would only be eligible for well-managed and well-capitalized depository institutions.

H.R. 3390, the Bringing the Discount Window into the 21st Century Act

The Chamber supports a structured process for considering modernization of the Federal Reserve's discount window. This legislation recognizes the need for modernizing how the Federal Reserve provides liquidity to financial institutions to ensure the stability of our financial system. This legislation is a critical step in enhancing the accessibility and functionality of the Federal Reserve's discount window, a vital mechanism for maintaining liquidity and confidence in the banking sector. By updating the discount window to reflect the needs of today's financial landscape, this bill will provide financial institutions with the tools necessary to navigate economic challenges, support small businesses, and foster economic growth.

We thank the members of the Committee for considering our views and look forward to working with you as the legislative process continues.

Sincerely,

A handwritten signature in black ink, reading "William R. Hulse", is centered within a light gray rectangular box. The signature is written in a cursive style.

Bill Hulse
Senior Vice President
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce

cc: Members of the House Committee on Financial Services