



April 13, 2026

The Honorable Tim Scott
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Dear Senator Scott:

The U.S. Chamber of Commerce (“Chamber”) is writing to express strong support for a forthcoming legislative package by the Senate Banking Committee (“Committee”) that would strengthen U.S. capital formation and investor opportunities.

The U.S. capital markets are the deepest and most liquid in the world, but we should not take our competitive edge for granted. Over the years, regulatory burdens and barriers to capital, including rising costs, have grown, making it increasingly difficult for U.S. businesses to go and stay public. In fact, the number of U.S. public companies has fallen approximately 40% since the mid-1990s (from over 7,800 public companies in 1997 to about 4,700 today).¹ During that time, U.S. businesses in need of capital have largely turned to private markets. As global competition intensifies, it is imperative that Congress takes action to empower businesses to innovate, grow, compete, create jobs, and drive the economic engine of our country forward.

The Chamber has been a leading advocate for legislative and regulatory reforms that aim to facilitate capital formation, foster innovation, and spur economic growth. By supporting both public and private capital markets, we can ensure that businesses of all sizes have the opportunity to access the capital necessary for growth. This approach not only benefits companies seeking to raise capital but also provides investors with more opportunities to participate in the financial success of America's best businesses.

¹ Securities and Exchange Commission Chairman Paul Atkins, Keynote Address at the John L. Weinberg Center for Corporate Governance's 25th Anniversary Gala, October 9, 2025, available at https://www.sec.gov/newsroom/speeches-statements/atkins-10092025-keynote-address-john-l-weinberg-center-corporate-governance-25th-anniversary-gala#_ftn1.

There are already real solutions available for the Committee to consider and debate. The Chamber supported the INVEST Act (H.R. 3383) in the House,² which had strong bipartisan support of 302-123. The INVEST Act represents a package of over 20 bills that seek to expand access to capital for small businesses, increase opportunities for investors, and strengthen public markets. The provisions in the INVEST Act can facilitate access to capital at every stage of a company's lifecycle – from startup to initial public offering ("IPO"), and each step in between. It also includes legislation to modernize the regulation of investment funds, improve disclosures for investors, and promote new pathways that allow more Americans to invest in U.S. financial growth and innovation.

We understand the Committee is planning to reintroduce the Empowering Main Street in America Act ("EMSAA"). As you consider the composition of that legislation, the Chamber strongly encourages the Committee to include in EMSAA the following priority bills:

- **Improving Disclosures for Investors Act of 2025 (S. 1877 / Included in INVEST).** This bill directs the Securities and Exchange Commission ("SEC") to make the electronic delivery ("E-Delivery") of investment disclosures and communications to investors the default delivery method. The bill establishes a 2-year transition period and several important investor protection provisions, including an opt-in right for paper delivery and measures to identify and remediate failed E-Delivery communications; set minimum requirements for readability and retainability of documents; and ensure the confidentiality of personal information.

E-delivery is a preferred choice amongst investors, with 88% of fund investors agreeing that E-Delivery should be the default as long as investors can still request paper at no cost.³ By allowing investors to receive critical investment documents and communications with greater efficiency and in a more secure, accessible, and cost-effective manner, E-Delivery can improve investor engagement and outcomes.

Bipartisan Legislation: Introduced by Sen. Tillis (R-NC) and co-sponsored by Sen. Hickenlooper (D-CO), Sen. Shaheen (D-NH), Sen. Rounds (R-SD), Sen. Peters (D-MI), Sen. Budd (R-NC), Sen. Britt (R-AL), and Sen. Warnock (D-GA).

² U.S. Chamber of Commerce, Letter to the U.S. House of Representatives in Support of the INVEST Act, December 4, 2025, available at: https://www.uschamber.com/assets/documents/USChamber_Support_INVEST-Act_House_Final-12.4.25.pdf.

³ Investment Company Institute, Americans' Views on E-Delivery of Financial Documents, September 2025, available at: <https://www.ici.org/system/files/2025-09/25-ici-paper-edelivery.pdf>.

- **Access to Small Business Investor Capital Act (S. 1808 / Included in INVEST).** This bill would exclude Business Development Companies (“BDCs”) from the Acquired Fund Fees and Expenses (“AFFE”) rule. AFFE was adopted by the SEC nearly 20 years ago to provide fund investors with information about total costs when a fund invests in other funds. In practice, however, the AFFE requirement has had the effect of double-counting BDC expenses within total fund expenses. As a result, certain indices have excluded BDCs and some large institutional investors have exited BDC investments.

BDCs should be fully exempted from AFFE so that investors receive accurate information about total fund expenses. This bill would ensure BDCs have a greater ability to provide critical financing for Main Street businesses throughout the U.S.

Bipartisan Legislation: Introduced by Sen. McCormick (R-PA) and co-sponsored by Sen. Alsobrooks (D-MD), Sen. Daines (R-MT), Sen. Gallego (D-AZ), Sen. Hagerty (R-TN), Sen. Blunt Rochester (D-DE), Sen. Moreno (R-OH), Sen. Kim (D-NJ), Sen. Banks (R-IN), Sen. Warner (D-VA), Sen. Britt (R-AL), Sen. Hickenlooper (D-CO), Sen. Kennedy (R-LA), Sen. Shaheen (D-NH), Sen. Justice (R-WV), and Sen. Rosen (D-NV).

- **Increasing Investor Opportunities Act (S. 3671 / Included in INVEST).** This bill would help create a more competitive investment environment by allowing publicly offered closed-end funds (“CEFs”) to invest up to all their assets in private securities. Until recently, the SEC maintained a 15% limit on private funds in CEFs. Although the SEC issued a statement in 2025 confirming that the 15% limit (unless investors are accredited) is no longer in effect,⁴ this bill would provide statutory certainty.

The bill also permits CEFs to list on national securities exchanges. Such a change would boost capital formation for startup businesses while allowing retail investors greater exposure to additional investment opportunities.

Bipartisan Legislation: Introduced by Sen. Daines (R-MT) and co-sponsored by Sen. Rounds (R-SD). The bipartisan House companion H.R. 3383 was introduced by Rep. Wagner (R-MO) and co-sponsored by Rep. Meeks (D-NY), Rep. Torres (D-NY), Rep. Scott (D-GA), and Rep. Sessions (R-TX).

⁴ Securities and Exchange Commission, ADI 2025-16 - Registered Closed-End Funds of Private Funds, August 15, 2025, available at: <https://www.sec.gov/about/divisions-offices/division-investment-management/fund-disclosure-glance/accounting-disclosure-information/adi-2025-16-registered-closed-end-funds-private-funds>.

- **Retirement Fairness for Charities and Educational Institutions Act (S. 424 / Included in INVEST).** This bill would permit 403(b) retirement plans to invest in collective investment trusts (“CITs”). CITs are subject to the Employee Retirement Income Security Act (“ERISA”) and invest the funds of tax-exempt retirement plans in various asset classes. CITs provide diversification to retirement plan investments and can improve long-term performance.

Workers who save for retirement through 403(b) plans unfairly have no access to these low-cost products through quirks of the tax and securities laws. This legislation would level the playing field between 403(b) and 401(k) plans by permitting 403(b) plans to invest some of their assets in CITs.

Bipartisan Legislation: Introduced by Sen. Britt (R-AL) and co-sponsored by Sen. Warnock (D-GA), Sen. Cassidy (R-LA), and Sen. Peters (D-MI).

- **Equal Opportunity for All Investors Act of 2025 (H.R. 3339 / Included in INVEST).** This bipartisan House bill would broaden investor access by permitting individuals to qualify as an accredited investor through an examination established by the SEC and administered by the Financial Industry Regulatory Authority (“FINRA”).

Bipartisan Legislation: Introduced in the House by Rep. Flood (R-NE) and co-sponsored by Rep. Fields (D-LA), Rep. Lawler (R-NY), Rep. McBride (D-DE), and Rep. Thanedar (D-MI).

- **Fair Investment Opportunities for Professional Experts Act (H.R. 3394 / Included in INVEST).** This bipartisan House bill would broaden investor access by permitting individuals who hold certain professional licenses, educational degrees, or have relevant job experience to be deemed an accredited investor.

Bipartisan Legislation: Introduced in the House by Rep. Hill (R-AR) and co-sponsored by Rep. Vargas (D-CA), Rep. Davidson (R-OH), and Rep. Sessions (D-TX).

An accredited investor is an individual who is permitted to trade securities that may not be registered with the SEC. Securities in early-stage, non-public companies have significant potential for growth. However, because these securities are considered higher risk, the accredited investor definition limits investor participation. Traditionally, the accredited investor threshold has been determined through wealth tests. The current methodology leaves out sophisticated and savvy investors who may not meet financial thresholds yet includes a wealthy person with no experience in financial markets.

The Equal Opportunity for All Investors Act of 2025 and Fair Investment Opportunities for Professional Experts Act will reasonably expand the pool of accredited investors to those individuals with financial sophistication, not just wealth. As you have stated, “It should not take wealth to build wealth.”

- **Senior Security Act of 2026 (S. 4055 / Included in INVEST).** This bill would create a “Senior Investor Task Force” at the SEC to study and report on issues affecting investors over the age of 65. It would also require the Government Accountability Office (“GAO”) to conduct a study on senior financial exploitation.

It is essential that the retirement savings of America’s senior community are protected from exploitation and fraud. Every year, America’s seniors are the victims of increasingly sophisticated financial fraud. A 2025 Federal Trade Commission report found that fraud losses among older adults have increased from approximately \$600 million in 2020 to \$2.4 billion in 2024, driven by investment scams and other fraud.⁵ Such estimates are likely under-reporting the true impact, as many cases of fraud are not reported.

Bipartisan Legislation: Introduced by Sen. Kim (D-NJ) and co-sponsored by Sen. Collins (R-ME), Sen. Gillibrand (D-NY), and Sen. McCormick (R-PA).

- **Financial Stability Oversight Council Improvement Act (S. 3578).** This bill would enhance the Financial Stability Oversight Council’s (“FSOC”) process for designating a nonbank financial company as a Systemically Important Financial Institution (“SIFI”). The bill ensures FSOC considers all available tools, including direct consultations with a company and its primary regulator, before proposing to designate a company for heightened supervision by the Federal Reserve Board. Understanding that designation imposes significant regulatory burdens, the bill ultimately ensures that SIFI designation is used as a last resort.

The bill would provide much needed statutory stability and transparency to FSOC’s authority over nonbank financial companies and would also strengthen U.S. capital markets and growth. Since the Dodd-Frank Act created FSOC in 2010, each administration has taken significantly different approaches to address systemic risk. The four-year cycle of changes in the FSOC’s nonbank systemic risk guidance creates unnecessary uncertainty for financial companies. Designations without clear systemic risk justifications undermine our capital markets’ competitiveness and increase vulnerability to economic

⁵ Federal Trade Commission, Protecting Older Consumers 2024–2025, December 1, 2025, available at https://www.ftc.gov/system/files/ftc_gov/pdf/P144400-OlderAdultsReportDec2025.pdf.

shocks. Given the threat of being regulated like a bank, nonbanks afraid to grow will innovate less, and consumers could face higher costs and see fewer new financial products.

Bipartisan Legislation: Introduced by Sen. Rounds (R-SD) and co-sponsored by Sen. Peters (D-MI), Sen. Gallego (D-AZ), and Sen. McCormick (R-PA).

The Chamber respectfully urges the Committee to prioritize the development and passage of capital formation legislation this year. Such legislation, with the inclusion of the bills highlighted in this letter, will help companies grow and create jobs, while allowing more investors to participate in the financial success of American businesses.

We value your leadership on capital formation and governance issues. The Chamber welcomes the opportunity to work on a bipartisan basis with you and your colleagues on the Committee to advance these critical reforms.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Flood', is centered below the word 'Sincerely,'.

Mike Flood
Senior Vice President
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce

cc: Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs