114TH CONGRESS
2D Session

H. R. 2187

AN ACT

To direct the Securities and Exchange Commission to revise its regulations regarding the qualifications of natural persons as accredited investors.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Fair Investment Opportunities for Professional Experts Act”.

SEC. 2. DEFINITION OF ACCREDITED INVESTOR.

Section 2(a)(15) of the Securities Act of 1933 (15 U.S.C. 77b(a)(15) is amended—

(1) by redesignating clauses (i) and (ii) as subparagraphs (A) and (F), respectively; and

(2) in subparagraph (A) (as so redesignated), by striking “; or” and inserting a semicolon, and inserting after such subparagraph the following:

“(B) any natural person whose individual net worth, or joint net worth with that person’s spouse, exceeds $1,000,000 (which amount, along with the amounts set forth in subparagraph (C), shall be adjusted for inflation by the Commission every 5 years to the nearest $10,000 to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics) where, for purposes of calculating net worth under this subparagraph—

“(i) the person’s primary residence shall not be included as an asset;

“(ii) indebtedness that is secured by the person’s primary residence, up to the
estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

“(iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability;

“(C) any natural person who had an individual income in excess of $200,000 in each of the 2 most recent years or joint income with that person’s spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

“(D) any natural person who is currently licensed or registered as a broker or investment adviser by the Commission, the Financial In-
dustry Regulatory Authority, or an equivalent
self-regulatory organization (as defined in sec-
tion 3(a)(26) of the Securities Exchange Act of
1934), or the securities division of a State or
the equivalent State division responsible for li-
censing or registration of individuals in connec-
tion with securities activities;

“(E) any natural person the Commission
determines, by regulation, to have demonstrable
education or job experience to qualify such per-
son as having professional knowledge of a sub-
ject related to a particular investment, and
whose education or job experience is verified by
the Financial Industry Regulatory Authority or
an equivalent self-regulatory organization (as
defined in section 3(a)(26) of the Securities Ex-
change Act of 1934); or”.

Passed the House of Representatives February 1,
2016.

Attest:

Clerk.
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