



November 24, 2025

Jill Vallely
Registration & Regulatory Affairs Unit
Securities Division
Washington Department of Financial Institutions
jill.vallely@dfi.wa.gov

Re: Notice of Preproposal Statement of Inquiry Regarding Updates to WAC 460-16A-205(1)(e) to Adopt the 2025 Amendments to the NASAA Statement of Policy Regarding Real Estate Investment Trusts (the "Notice").

Dear Ms. Vallely:

The Institute for Portfolio Alternatives (IPA)¹ appreciates the opportunity to comment on the Notice.

WAC 460-16A-205(1)(e) provides that the North American Securities Administrators Association ("NASAA") Statement of Policy Regarding Real Estate Investment Trusts, amended May 7, 2007, will regulate registered offerings of real estate investment trusts in Washington. On September 7, 2025, NASAA adopted amendments to this Statement of Policy to, among other things, add a concentration limit for investors with a carve-out for "accredited investors" as defined in Rule 501(a) of the United States Securities and Exchange Commission's Regulation D.

Although the IPA opposes a concentration limit generally, should the Division establish one for investments in net-asset value real estate investment trusts ("NAV REIT") or business development companies ("BDC"), **we strongly encourage the Division to provide an exception from these limits for those who qualify as accredited investors under the Securities and Exchange Commission's ("SEC") Regulation D.**

¹ For more than 40 years, the IPA has served as the leading voice for global asset managers, distributors and service providers in the private markets and alternative investment industry. We deliver best-in-class education for practitioners and champion policies that expand investor access to wealth-building private market strategies, including real estate, credit, infrastructure, private equity and venture capital, among other asset classes. These investments offer lower correlation to public markets, strengthen retirement outcomes and enhance portfolio diversification while operating within robust investor-protection standards. Over the past 25 years, private market and alternative investments have driven more than \$1 trillion in capital formation, playing a critical role in fueling national and local economic growth.



The purpose of the accredited investor definition is to ensure that accredited investors have the tolerance of risk of loss and illiquidity to invest in private placements. The accredited investor definition identifies investors who "are able to fend for themselves and, accordingly, do not need the protections afforded by the registration requirements under the Securities Act because they 'have access to the kind of information which registration would disclose.'"

Should the Division incorporate a concentration limit, we urge the Division to establish a corresponding carve-out to the concentration limit for "accredited investors," as defined by Regulation D, and as provided for in NASAA's updated Statement of Policy.

We are ready and willing to work with the Division as it considers the adoption of the NASAA Statement of Policy. Please contact Jeff Evans, IPA director of government affairs, at jevans@ipa.com or 202-548-7185, if you have questions or would like to discuss our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Anya Coverman", with a long horizontal flourish extending to the right.

Anya Coverman
President and CEO