



September 30, 2026

Vanessa A. Countryman  
Office of the Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

*Via electronic mail: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)*

**Re: File No. 4-914 - Petition for Rulemaking to Amend the Regulation Crowdfunding Offering Limit Pursuant to Securities Act Section 3(b)**

Dear Ms. Countryman:

On behalf of the Small Business & Entrepreneurship Council (SBE Council), a nonpartisan advocacy, research, and education organization that has worked to advance policies supporting strong startup activity and small business growth since 1994, I write in strong support of the petition for rulemaking docketed as File No. 4-914, which asks the U.S. Securities and Exchange Commission to raise the Regulation Crowdfunding offering limit from \$5 million to \$20 million and to index the limit to inflation going forward.

SBE Council was an early and active champion of the bipartisan JOBS Act of 2012, including the Title III provisions that became Regulation Crowdfunding. We worked closely with congressional leaders, President Obama's lead team members, our members who helped to create the framework for Title III, and entrepreneurs and business leaders across the country to modernize the rules that we asserted would democratize access to capital for the startups and entrepreneurs who lacked access to venture capital, angel networks, and other forms of startup or growth capital. Moreover, average investors via a regulated framework would be provided an opportunity to invest in the startups and small businesses they believed in. SBE Council was honored to be at the White House when the JOBS Act of 2012 was signed into law, and we continued to support reasonable reforms to fine-tune and improve Regulation Crowdfunding.

More than a decade later, the framework has performed as intended: it has moved capital to Main Street businesses in communities across all fifty states - a reach reflected in the Commission's [Regulation Crowdfunding statistics](#) published by the Division of Economic and Risk Analysis (updated September 22, 2026, covering May 2016 through June 2026), which track offerings by

issuer location nationwide – and opened early-stage investing to everyday Americans, and done so with a strong compliance and disclosure record through regulated intermediaries.

The current \$5 million limit, however, now works against the very companies that prove the framework's success. Issuers whose communities have validated them with capital must stop raising just as they reach the scale where growth capital matters most, which forces them to fragment offerings across multiple exemptions, absorb duplicative legal and compliance costs, or move to accredited-investor-only rounds that exclude the retail investors who backed them first.

This creates a two-tier outcome at odds with the JOBS Act's purpose: ordinary investors take the earliest risk, then lose access precisely when the companies they supported begin to succeed. For capital-intensive small businesses such as manufacturers, consumer brands, and community real estate, a \$5 million ceiling set in 2020 no longer reflects realistic financing or scaling needs, and inflation has already eroded its value.

A \$20 million limit is a modest, proportionate step. The Commission's own recent proposals contemplate substantially larger exempt pathways elsewhere, which includes, for example, an annual exemption of up to \$75 million for certain crypto asset offerings. Regulation A Tier 2 already permits \$75 million. Main Street issuers using a disclosure-based, intermediary-supervised framework should not face the most restrictive ceiling in the exempt-offering ecosystem. Indexing the limit to inflation would keep the threshold current without requiring the Commission to revisit it through repeated rulemakings.

A higher offering limit must also work in practice. We therefore support the petitioner's supplemental recommendations to make Rule 3a-9 crowdfunding vehicles functional - default voting mechanisms with reasonable notice, a designated lead investor or manager with defined authority, and consolidated disclosure delivery - and we urge the Commission to conform the related Exchange Act thresholds at the same time.

Under the conditional exemption in Rule 12g-6, Regulation Crowdfunding securities are excluded from the Section 12(g) holder-of-record count only while an issuer's total assets remain at or below \$25 million. A company that successfully raises up to \$20 million could exceed that threshold as a direct result of the offering itself, converting a successful community raise into a trigger for full Exchange Act registration and reporting. This is an administrative burden wholly disproportionate to companies of this size, and one that would deter use of the very limit the Commission had just modernized. The offering limit, the Rule 12g-6 asset threshold, and the Section 12(g) holder thresholds should be conformed and indexed together.

Importantly, the petition asks the Commission to raise the ceiling within the existing investor-protection architecture: required disclosures, financial statement requirements, regulated funding portals and broker-dealers, and investment limits. These would continue to apply.

Raising the cap expands access and opportunity; it does not relax oversight.

We respectfully urge the Commission to grant the petition, or to incorporate its requested relief into the Commission's anticipated rulemaking on the exempt offering framework. Thank you for your consideration. Please do not hesitate to contact me if SBE Council can provide further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Kerrigan", written over a light gray rectangular background.

Karen Kerrigan  
President & CEO

**Protecting Small Business, Promoting Entrepreneurship**

**800 Connecticut Ave. NW • Suite 300 • Washington, D.C. 20006 • (703)-242-5840 [www.sbecouncil.org](http://www.sbecouncil.org)**