July 1, 2026

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Comment Letter on the U.S. Securities and Exchange Commission Draft Strategic Plan for Fiscal Years 2026–2030

The Crowdfunding Professional Association (CfPA) respectfully submits this comment letter in response to the Securities and Exchange Commission's Draft Strategic Plan for Fiscal Years 2026–2030 (the "Strategic Plan"). The CfPA is the leading trade association representing the regulated investment crowdfunding industry, including funding portals, broker-dealers, issuers, investors, and service providers operating under Regulation Crowdfunding ("Reg CF") and Regulation A ("Reg A"). Our members are on the front lines of democratizing access to capital for small businesses and expanding investment opportunities for everyday Americans.

We write to express our strong support for the direction outlined in the Strategic Plan and to offer specific recommendations that would advance the Commission's goals as they relate to the regulated investment crowdfunding ecosystem. The Strategic Plan's three goals, (1) renewing the regulatory policy focus to support innovation and capital formation, (2) shifting regulatory practices to enhance stakeholder engagement and restore principled enforcement, and (3) optimizing operational efficiency, align closely with longstanding CfPA policy priorities (with our full set of policy priorities included as Appendix A). We are pleased to offer the following comments organized around each of the Commission's stated goals.

I. Goal 1: Supporting Innovation, Capital Formation, Market Efficiency, and Investor Protection

CfPA strongly supports the Commission's commitment to modernizing the regulatory framework to facilitate capital formation, particularly for small businesses and entrepreneurs. The regulated investment crowdfunding market has demonstrated enormous potential to connect Main Street investors with early-stage companies, but the full realization of this potential has been impeded by rules that impose disproportionate compliance burdens on the smallest issuers.

A. Provide Regulatory Relief and Clarifications for Small Offerings

The Strategic Plan's Objective 1.3 recognizes that regulations must not "add needless friction to the marketplace." While the strategic plan references specific areas of alternative trading systems and market structure rules, the CfPA recommends the Commission not overlook regulatory frictions impacting companies seeking to utilize Reg CF in addition to or prior to Reg A. In particular, areas in which our members encounter regulatory friction not supported by risk-based economic analysis include:

- Audit requirements for companies with less than six-months of operating history;
- Requiring GAAP financial statements for the smallest offerings associated with businesses that traditionally utilize cash accounting;
- Navigating the distinction between "terms" and "non-terms" communications in public communications;
- Applying the individual investor limits under Reg CF compared to Reg A; and
- Satisfying conditions to avoid triggering the requirements of Section 12(g) of the Exchange Act.

CfPA members have been able to quantify some of these regulatory frictions, which we believe can help support the SEC's goals when considering regulatory reforms in these areas (see, Burke, Gregory, and Riley League. "The Cost of Financial Disclosure for Start-Up Firms." Working paper, 2026 (available on request).

B. Pathways for Obtaining Capital

While every company starts small, once they advance to a level of growth which requires additional capital, current rules and regulations incentivize use of private markets. Access to private capital allows companies to continue to innovate until they are prepared for the rigor of the public markets. Consistent with Objective 1.2's goal to "provide meaningful pathways for entrepreneurs to obtain the capital they need," CfPA urges the Commission to realize the importance of the Reg CF and Reg A exemptions for this purpose. In addition to specifically referencing Reg CF along with Reg A in the Strategic Plan, the CfPA believes this mission can be advanced through actions like increasing the Reg CF annual offering cap from $5 million to $20 million, and the Reg A (Tier 2) annual limit from $75 million to $150 million. The current caps constrain growth-stage companies from using these exemptions as a primary capital-raising tool, particularly in the capital-intensive fast moving technological environment that many new American companies currently operate in.[1]

Further, we believe this mission of providing "meaningful pathways for entrepreneurs to obtain the capital they need," can be supported through regulatory changes that allow for small investment funds, such as those operated by Business Development Companies, to utilize Reg CF and diversify their investor base. Diversifying the investor base fosters greater community engagement, broadens access to wealth creation, and creates a more resilient and inclusive financial ecosystem.

C. Parity with Crypto and Digital Assets

The CfPA has not taken a position in regards to the development of crypto based products and digital assets. However, as the SEC advances Objective 1.1 to "provide a firm regulatory foundation for digital assets and distributed ledger technologies," the CfPA urges the Commission to ensure parity among

[1] Objective 1.2 includes "enhancing regulation A to better serve smaller issuers." The CfPA encourages the Commission to consider including Regulation CF in this statement as well, for the reasons stated above.

securities offerings such that all securities, regardless of the form of the security, should be subject to comparable rules governing disclosure, anti-fraud controls and intermediary accountability.

II. Goal 2: Stakeholder Engagement, Compliance Facilitation, and Principled Enforcement

CfPA enthusiastically supports the Commission's commitment under Goal 2 to increase stakeholder engagement and to adopt a more collaborative regulatory posture. Greater engagement would significantly improve the Commission's understanding of real-world conditions in this market.

A. Transparency and Consistency in Portal Oversight

Consistent with Objective 2.1's emphasis on staff engagement and Objective 2.3's call for retrospective review, CfPA urges the Commission to address the perceived lack of transparency in FINRA's oversight of funding portals. Portals report that they experience frustration with FINRA during the initial application process and during ongoing reviews due to what portals believe to be inconsistent application of FINRA rules and interpretation of Reg CF by FINRA. The CfPA also requests that both the SEC and FINRA make regulatory decisions and compliance guidance publicly available to ensure that all market participants benefit from a transparent, predictable regulatory environment.

III. Goal 3: Operational Efficiency, Technology Modernization, and High-Performance Culture

CfPA supports the Commission's goal of modernizing its operational and technological infrastructure. Two specific initiatives under Goal 3 are of direct relevance to our industry.

A. EDGAR Modernization and Searchable PDFs

Consistent with Objective 3.2's commitment to comprehensively review the EDGAR system, the CfPA urges the Commission to enable and require the submission of searchable PDF documents in EDGAR filings. Currently, many offering circulars and Form C filings are submitted as flattened, non-searchable files, due to the EDGAR file validation process before the Form C is uploaded. This significantly impedes investor due diligence associated with those disclosures. Better enabling, and requiring searchable PDFs through EDGAR would materially improve investors' ability to conduct keyword searches across lengthy disclosure documents and identify key risk factors and investment terms. This suggestion is also consistent with the goal of responsible use of AI—many AI native technologies support rapid PDF review and could be integrated into an updated EDGAR system.

B. User-Friendly Annual Report Filing Tool

The CfPA further notes that compliance in the Reg CF space would benefit from a more intuitive, user-friendly tool for submission of annual reports. This objective is consistent with Objective 3.2, as the current system often drives the smallest issuers to engage third-party vendors solely to navigate the EDGAR filing process, adding unnecessary cost and complexity. A purpose-built submission tool for small business annual reports would reduce friction and improve compliance rates. Field-experimental research on Reg CF annual reporting documents shows that interventions reducing the friction and cost of filing can raise compliance (see, Burke, Gregory, and Riley League. "Compliance with Ongoing Financial Reporting Mandates: Field Experimental Evidence on the Decision to Issue an Annual Report." June 23, 2026). The CfPA also encourages the Commission to consider ways to reduce duplicate reporting requirements, for example, for issuers filing an amended Form C with year end information that would also be included in the annual report.

We appreciate your consideration of these comments and would welcome the opportunity to engage further.

Sincerely,

/s/Brian Belley
Brian Belley
President
Crowdfunding Professional Association (CfPA)

CC:
Jason Fishman, Vice President
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Brian Christie, Vice Chair of the Board of Directors
Scott McIntyre, Vice Chair of the Board of Directors
Devin Thorpe, Treasurer and Vice Chair of the Board of Directors
Andrew Stephenson, Secretary

CfPA
Crowdfunding Professional Association

APPENDIX A

CfPA Policy Positions

As Approved by the CfPA Board of Directors
Adopted May 10, 2024, amended September 13, 2024, January 10, 2025, March 14, 2025, and September 12, 2025

1. Exemptive Relief for Small Offerings

Reg CF should be an accessible and useful tool for diverse businesses from small mom-and-pop shops to high-growth tech companies. The current rules make it financially infeasible to conduct small raises because the fixed costs are high and experts are needed to ensure compliance. Therefore, we support the consideration of relief from some of the more onerous requirements for small offerings.

2. Reform of Requirements for Financial Reporting

The requirement to provide an independent review or audit is nonsensical for a business with no operating history – we support tailoring the financial reporting requirements so that reviews and audits are only required for businesses with at least six months of operating history. Similarly, the requirement of GAAP financials should be waived for early-stage and smaller businesses (including crowdfunding vehicles they use for their raises). This applies to post-raise reporting as well. For those issuers that choose to provide a higher level of reporting, this can be prominently disclosed so that potential investors know that they are receiving a more fully vetted financial report. Note that the Small Business Administration does not require GAAP-compliant financials for its borrowers.

3. Consistency and Transparency in Oversight of Portals

Consistent regulatory compliance is necessary to ensure the viability of the industry. All portals should be subject to the same level of scrutiny and enforcement. Rule violations should be addressed quickly to maintain the public's confidence in the tool. To prevent the appearance of arbitrary inconsistency, regulatory decisions and guidance provided by both FINRA and the SEC should be made available to the public.

Portals report that FINRA is not transparent about the requirements it imposes for new applications or for audits, creating a great deal of uncertainty and a long drawn-out approval process. FINRA often imposes multiple extensions on the approval process as seemingly arbitrary requirements are imposed.

We request that FINRA be required to (1) publish guidance regarding its requirements for new portals, (2) update the FP-NMA to reflect what is actually required to be considered complete, (3) provide guidance for ongoing compliance of existing portals, and (4) treat each portal consistently in regards to those requirements.

4. Simplification of Rules

We support streamlining overly complicated requirements such as the per investor annual investment limit and the advertising rules, which are extremely confusing and almost impossible to comply with. We support a simplification of these rules such as allowing issuers to include terms in all public communications (irrespective of when those communications are made in the offering process) and having per investor limits mirror the simpler requirement under Reg A.

5. Disclosures to Investors

It is important that investors understand what they are getting when they invest and the potential tax implications of those investments. The SEC should provide portals with standard disclosures regarding the following:

- details of what an investor is receiving in exchange for their investment
- whether the investor is investing directly in the issuer or a crowdfunding vehicle
- a warning about potential tax issues in the form of a general overview and the recommendation to consult one's tax advisor
- if the investor is investing in a crowdfunding vehicle, what this means in terms of fees, costs, tax treatment, governance rights, ongoing record-keeping requirements, etc.
- the importance of reviewing the Form C and a prominent link to view the Form C with all Form C pdfs clearly labeled.

6. Searchable PDFs on EDGAR

In the interest of enhancing transparency and efficacy in investor due diligence, we propose a crucial amendment to the current filing requirements within the SEC EDGAR system. Specifically, we recommend the mandatory submission of searchable PDF documents, rather than the current practice of uploading flattened, non-searchable files. The inability to conduct keyword searches within lengthy offering circulars and other crucial documents not only undermines the efficiency of the investment decision process but also potentially obscures critical information necessary for a thorough evaluation. Key terms or other indicators of investment risk and opportunity must be readily accessible to investors. This enhancement in document accessibility will significantly improve investors' ability to conduct comprehensive and efficient analyses, ensuring they are better informed and more equipped to make judicious investment decisions.

7. Disclosures to Issuers

Issuers must receive clear and complete disclosures regarding portal fees, privacy policies, and the use of crowdfunding vehicles. Portals should be required to provide complete, prominent, plain English disclosures regarding all of the following issues:

- if the portal requires the use of a crowdfunding vehicle and the implications of the use of a crowdfunding vehicle
- all fees charged by the portal, including fees charged by third-party service providers required by the portal
- a reminder that the issuer is responsible for the content of the Form C and the implications of allowing the portal to file on its behalf, including the risks of filing an incomplete or noncompliant document with the SEC
- the issuer's annual reporting requirements, including the requirement to maintain GAAP-compliant financials and additional reporting requirements when a crowdfunding vehicle is used.

8. Crowdfunding Vehicles and Avoiding Registration

The CfPA supports the following changes:

- The rules governing crowdfunding vehicles are challenging to apply in practice – the concept of a "one-to-one relationship" is not easily interpreted in many contexts. There is a need for greater clarity and examples of how the SPV should be structured when the crowdfunding issuer securities are SAFEs, convertible notes, etc. (as opposed to shares or LLC equity interests).

- The use of a crowdfunding vehicle can add a great deal of expense and complexity to an offering because the crowdfunding vehicle itself is subject to all of the same compliance requirements as the underlying issuer. To reduce the need to use crowdfunding vehicles, we support removing the $25 million asset cap for companies wishing to avoid registration under Section 12(g).

- There is a lack of consistency regarding the use of Series LLCs as crowdfunding vehicles – while one portal uses a Series LLC, other portals have been told by FINRA that Series LLCs may not be used. FINRA should provide unequivocal guidance on this issue.

- We also request clarification regarding what it means to be "current in ongoing annual reports" with respect to the requirements for avoiding registration under Section 12(g). We request confirmation that as long as the issuer has filed all required reports, it will be considered "current in ongoing annual reports."

9. Crowdfunding by Portals

We support allowing portals to raise funding on their own platforms as long as the relationship is fully disclosed and the number of raises is limited (e.g. one per year). Requiring portals to raise on competitor's platforms creates an unfair limitation on portals' ability to raise under Reg CF.

10. Allowing Investment Funds to Raise under Reg CF

The current statute provides that Title III does not apply to any issuer that "is an investment company, as defined in section 80a–3 of this title, or is excluded from the definition of investment company by section 80a–3(b) of this title or section 80a–3(c) of this title."

We propose striking this provision so that investment companies and companies excluded from the definition of an investment company under Sections 3(b) and (c) of the Investment Company Act may raise funds under Regulation Crowdfunding.

We also propose the addition of a new exemption under Section 3(c) of the Investment Company Act for small funds (e.g. up to $50 million) with no limitations on number of investors or method of solicitation.

11. Tax and Accounting Treatment of Securities

Many of the securities offered by small businesses face ambiguity regarding their tax treatment. We request assistance with securing guidance from the IRS and FASB on instruments like revenue-based debt and SAFEs.

12. Unsecured RBF Debt

We request that the SBA treat unsecured revenue-based debt instruments as equity when determining eligibility for a loan.

13. Tax Credit for Crowd Investors

We support the implementation of an annual tax credit of up to $1,000 for any individual (up to $2,000 for married couples filing jointly) with income not exceeding $539,000 (or $647,850 for married couples filing jointly), or whatever corresponding income levels may be in effect and applicable to the top tax bracket, and that has made an investment into one or more issuers raising money through a Reg CF offering, such that the total amount invested into issuers for the preceding year totals two times the amount of the tax credit.

14. Annual Report Submission

We request that the SEC provide a more user- friendly tool (outside of EDGAR which is extremely confusing for inexperienced users) for submitting annual reports so that issuers may avoid vendor fees for filing their reports.

15. When a Reg CF Issuer Goes Public

Investors that have invested in an issuer via Reg CF have difficulty getting their securities into a brokerage account when the issuer conducts an IPO. This sometimes results in the Reg CF investors being unable to sell when the shares are at their highest price. We request industry guidance to prevent this unfair treatment of Reg CF investors.

16. Annual Raise Limits

- We support an increase on the cap for issuers raising funds for the Reg CF annual limit from $5M to $20M and the Reg A (Tier 2) annual limit from $75M to $150M.

- We support an amendment to Title III of the JOBS Act that removes limits on the SEC's authority to increase the caps on the amounts that can be raised under Regulation Crowdfunding.

17. Privacy and Safeguarding of Nonpublic Personal Information

Crowdfunding intermediaries should be required to provide notices to customers about their privacy policies and practices, describe conditions under which they may disclose nonpublic personal information to nonaffiliated third parties, and provide customers with an opportunity to opt out of such disclosures. Intermediaries should also implement an information security program that includes administrative, technical, and physical safeguards designed to protect the security, confidentiality, and integrity of nonpublic personal information.

18. Consistency of Terminology

The term "equity crowdfunding" is used frequently by industry participants. This term is misleading because it implies that what investors are getting is an equity investment which is often not the case. We support the requirement to use the term "Regulated Investment Crowdfunding" consistently to prevent confusion and request the SEC formalize this requirement, thereby reinforcing the integrity of the investment landscape.

19. Safe Harbor for Retirement Plan Investments in Regulation Crowdfunding and Regulation A Offerings

As part of establishing broader rules for fiduciaries associated with alternative assets, we request that the DOL establish a safe harbor under ERISA clarifying that a fiduciary will not violate its duties of prudence or loyalty solely by including diversified investment options (such as a target-date fund, balanced fund, or collective investment trust) that allocate a portion of assets to Reg CF and Reg A offerings.