

June 8, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Submitted via rule-comments@sec.gov

Re: File Number S7-05-20

Dear Ms. Countryman:

I write to express my support for the Securities and Exchange Commission's efforts to simplify and improve the exempt offering framework. These efforts will increase opportunities for investors as well as expand access to capital for issuers. The proposed amendments are a step in the right direction to help companies continue to grow throughout the business cycle.¹ This rulemaking is long overdue. I applaud Chairman Clayton and the Commission for their thorough and comprehensive review and encourage them to move swiftly to adopt the amendments.

The exempt offering framework has become more complex over the last several decades. The complexity has further increased as a result of the Commission's actions taken after the JOBS Act of 2012, in direct contravention of congressional intent. This increasing complexity presents challenges to market participants, especially smaller companies with limited resources. I strongly support the proposed amendments to streamline the offering framework and increase offering and investment limits to reflect current capital raising trends in addition to the other goals of this rulemaking. These proposed changes would help small businesses and expand investment opportunities for Main Street investors while maintaining appropriate investor protections.

In my previous comment letter submitted on the Concept Release on Harmonization of Securities Offering Exemptions, I expressed particular concern with the overly burdensome requirements of Regulation Crowdfunding. These requirements hinder the ability of crowdfunding to address small-business capital needs.² Specifically, the proposed amendments to permit the use of certain special purpose vehicles and to increase the offering limits will expand the number and scope of investors and empower small businesses to access more capital at a time when they need it most.

In light of COVID-19 and the resulting economic crisis, amendments to Regulation Crowdfunding are now more important than ever to provide businesses with the opportunity to raise capital, create jobs in our local communities, and develop innovative products and services.

¹ See Proposed Rule on Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets, Securities Act Release No. 10763 (Mar. 4, 2020).

² See Comment Letter Submitted October 15, 2019 on Concept Release on Harmonization of Securities Offering Exemptions Release, Securities Act Release No.10649 (Jun. 18, 2019).

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I believe the proposed amendments are critical to a strong economic recovery. I hope to see these long overdue changes adopted in short order.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick McHenry", is positioned above the printed name.

Patrick McHenry
Ranking Member
Committee on Financial Services

cc: The Honorable Jay Clayton
The Honorable Hester M. Peirce
The Honorable Elad L. Roisman
The Honorable Allison Herren Lee