



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

December 3, 2013
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1105 – Small Business Capital Access and Job Preservation Act

(Rep. Hurt, R-VA, and 12 cosponsors)

The Administration strongly opposes passage of H.R. 1105, which would amend the Investment Advisers Act of 1940 to exempt nearly all private equity fund advisers from registration. The legislation effectively provides a blanket registration and reporting exemption for private equity funds, undermining advances in investor protection and regulatory oversight implemented by the Securities and Exchange Commission (SEC) under Title IV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Wall Street Reform).

The Administration is committed to building a safer, more stable financial system. H.R. 1105 represents a step backwards from the progress made to date, given that private equity fund advisers have been filing reports with the SEC for over a year. The bill's passage would deny investors access to important information intended to increase transparency and accountability and to minimize conflicts of interest. Moreover, H.R. 1105 would exempt private equity funds from the disclosure requirements that the Congress laid out in Wall Street Reform to allow regulators to assess potential systemic risks.

Private equity funds are already subject to less stringent reporting requirements compared to other types of private funds and to an annual, rather than quarterly, filing requirement. In addition, private fund advisers with under \$150 million in assets under management are exempted from registration and subject only to recordkeeping and reporting requirements.

If the President were presented with H.R. 1105, his senior advisors would recommend that he veto the bill.

* * * * *