

**Congress of the United States**  
Washington, DC 20515

The Honorable Gary Gensler  
Chair  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

March 12, 2024

Dear Chair Gensler,

We write to express concerns with the Securities and Exchange Commission's (SEC) proposed predictive data analytics rule (PDA rule)<sup>1</sup> which would significantly alter the way everyday Americans interact with technologies that have made investing more accessible, affordable, and relevant than ever before, especially for our historically underserved communities.

Specifically, we are concerned that the PDA rule as proposed is not limited to AI and is extraordinarily broad. We are concerned that this approach may result in firms providing limited access to technologies for their customers, resulting in increased costs, and perpetuating the structural barriers that have excluded minority communities for decades.<sup>2</sup> We believe the SEC would benefit from conducting a more thorough review of the use by, and impact on, retail investors of various types of financial technologies before the adoption of a final rule.

Due to decades of discrimination, minority communities have become increasingly reliant on technology to participate in the financial system. Strong and tailored regulations are key to ensuring that firms use technology responsibly and that investors are protected. However, we caution against experimenting with broad rules and new standards that may end up closing doors for millions of Americans who are participating in our financial system for the first time.

We encourage the Commission to appropriately assess the impacts the PDA rule will have on new entrants into the market, especially those who are from historically underserved communities, and to adopt a more incremental, fact-based approach to ensure that minorities have the same opportunities as everyone else when it comes to participating in our financial system.

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<sup>1</sup> See SEC Conflicts of Interest Associated with the Use of Predictive Data Analytics by BrokerDealers and Investment Advisers, available at <https://www.sec.gov/news/press-release/2023-140>.


<sup>2</sup> See for example, The National Association of Securities Professionals, <https://www.sec.gov/comments/s7-12-23/s71223-270799-653562.pdf>; The Martin Luther King Jr. Memorial Foundation <https://www.sec.gov/comments/s7-12-23/s71223-289640-706602.pdf>; National Bankers Association <https://www.sec.gov/comments/s7-12-23/s71223-268199-645062.pdf>.

Sincerely,



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Marilyn Strickland  
Member of Congress



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Wiley Nickel  
Member of Congress



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Stacey E. Plaskett  
Member of Congress



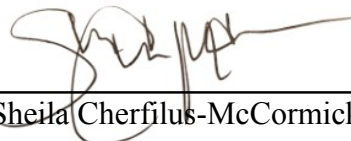
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Steven Horsford  
Member of Congress



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Troy A. Carter, Sr.  
Member of Congress



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Sheila Cherfilus-McCormick  
Member of Congress