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VIA ELECTRONIC MAIL (rule-comments@sec.gov)

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

Re: *Proposed Rule Change to Adopt Supplementary Material .18 (Remote Inspections Pilot Program) under FINRA Rule 3110 (Supervision); File No. SR-FINRA-2022-021; Release No. 34-95452*

Dear Ms. Countryman:

Teachers Insurance and Annuity Association of America (“**TIAA**”) appreciates the opportunity to provide the Securities and Exchange Commission (the “**Commission**” or “**SEC**”) with comments in response to the Financial Industry Regulatory Authority Inc.’s (“**FINRA**”) File No. SR-FINRA-2022-021: Proposed Rule Change to Adopt Supplementary Material .18 (Remote Inspections Pilot Program) under FINRA Rule 3110 (Supervision) (the “**Proposal**”).¹ The Proposal seeks feedback on a proposed three-year pilot program that would allow member firms to conduct remote inspections of their branch offices and locations. We understand and support FINRA’s interest in modernizing its rules to adjust to the hybrid working model that has become popular at so many member firms following the COVID-19 pandemic.

TIAA has joined its industry trade association partner, Securities Industry and Financial Markets Association (“**SIFMA**”), in its comment letter. In addition, TIAA wishes to express its support for the Proposal and thank FINRA for its continued efforts to review and modernize its rules.

I. **About TIAA.**

Founded in 1918, TIAA is the leading provider of retirement services for those in academic, research, medical, and cultural fields. Over its century-long history, TIAA’s mission has always been to aid and strengthen the institutions and participants it serves and to provide financial products that meet their needs. To carry out this mission, TIAA has evolved to include a range of financial services, including asset management and retail services offered by TIAA’s asset management arm, Nuveen, LLC (“**Nuveen**”) and its subsidiaries. Today, TIAA’s investment model and long-term approach serve more than five million retirement-plan participants at more

¹ FINRA, *Proposed Rule Change to Adopt Supplementary Material. 18 (Remote Inspections Pilot Program) under FINRA Rule 3110 (Supervision)*, File No. SR-FINRA-2022-021, 87 Fed. Reg. 50144 (Aug. 15, 2022), <https://www.finra.org/rules-guidance/rule-filings/sr-finra-2022-021>.

than 15,000 institutions. With its strong nonprofit heritage, TIAA remains committed to our mission of serving the financial needs of those who serve the greater good.

II. Significance of Proposal to TIAA.

In response to the COVID-19 pandemic, and in light of the success and relative ease with which so many financial services organizations and their associates have transferred to a remote work environment, TIAA has committed to providing a flexible work approach that allows our employees to work on-site and remotely. TIAA has established a long-term company-wide hybrid work model designed to ensure that employees have flexibility while still ensuring that business and client needs are met.

When the temporary Form BR relief ends,² TIAA will be required to register the residential locations of certain associated persons of TIAA's broker-dealer firms³ as non-branch locations in accordance with FINRA Rule 3110 or Residential Supervisory Locations (subject to the Commission's approval of FINRA's proposal to adopt Supplementary Material. 19 under FINRA Rule 3110⁴). Residential locations – whether they be non-branch locations or Residential Supervisory Locations – are subject to inspections on a regular periodic schedule, with a presumption of a three-year limit for such inspections.⁵

Absent the changes contemplated in the Proposal, TIAA may be required to deploy additional resources to travel to conduct in-person inspections of the residential locations of certain associated persons. This will represent a significant increase in the number of locations that TIAA must inspect from pre-pandemic levels when employees were working from home on a limited basis. This will also represent an increase from pandemic levels when TIAA relied on the aforementioned Form BR relief. In addition to the impact on residential locations, TIAA may also be required to return to in-person inspections of traditional brick-and-mortar offices without regard to a risk assessment of such locations.

TIAA recognizes the important role that office inspections play in supervising associated persons; reinforcing policies, procedures, and applicable laws and regulations; and protecting investors. The COVID-19 pandemic has demonstrated, however, that these important goals can be achieved through virtual, off-site inspections. For over two years, TIAA has successfully performed virtual, offsite inspections pursuant to Rule 3110.17. At the onset of the pandemic, TIAA was able to quickly transition from performing inspections exclusively in-person to conducting inspections exclusively in a virtual, off-site fashion. The transition was facilitated by prior and additional investments in technology and enhancements to supervisory and oversight

² Pursuant to pandemic-related relief granted in March 2020, member firms have not been required to maintain updated Form U4 information regarding office of employment address for temporarily relocated registered persons, nor submit branch office applications on Form BR for any newly opened temporary office locations. See Regulatory Notice 20-08 (Mar. 2020) ("**Notice 20-08**").

³ TIAA-CREF Individual & Institutional Services, LLC and Nuveen Securities, LLC

⁴ FINRA, *Proposed Rule Change to Adopt Supplementary Material. 19 (Residential Supervisory Location) under FINRA Rule 3110 (Supervision)*, File No. SR-FINRA-2022-019, 87 Fed. Reg. 47248 (Aug. 2, 2022), <https://www.finra.org/rules-guidance/rule-filings/sr-finra-2022-019>.

⁵ See FINRA Rule 3110, and more specifically, FINRA Rule 3110(c)(1)(C) and 3110.13.

processes. TIAA expects that future technological developments will continue to accelerate over time and further enhance our ability to supervise our associated persons' activities.

TIAA encourages the SEC to quickly adopt the Proposal. As the Commission is aware, FINRA Rule 3110.17 will expire at the end of 2022. If the SEC believes that the Proposal cannot be adopted on or before December 31, 2022, the SEC should consider extending Rule 3110.17 until the Proposal is approved and becomes effective. It would be ideal for such extension to be communicated soon in order to allow FINRA member firms to develop and modify their compliance strategies.

III. **TIAA believes the Proposal can be updated or guidance can be provided to clarify certain data and information collection requirements.**

TIAA applauds FINRA's desire to use data gleaned from the Remote Inspections Pilot Program to meaningfully assess the effectiveness of remote inspections and help shape potential permanent amendments to Rule 3110. Based on TIAA's experience over the past two years, we believe the data will demonstrate that off-site inspections afford the same investor protections that in-person inspections do.

TIAA believes the Proposal can be updated or guidance can be provided to clarify certain data and information collection requirements. Under the Proposal, 3110.18(f) would require, among other things, that participating firms report the number of findings and list of most significant findings for inspections performed remotely and on-site. TIAA recommends that FINRA consider providing additional guidance regarding the criteria that participating firms should use to determine whether findings are significant. It is not fully clear from the Proposal whether a finding would be significant because of a firm's assessment of the severity, the frequency of occurrence, or some other criterion. Such guidance would help to ensure that FINRA can use consistent and reliable data to inform potential permanent amendments to Rule 3110.

IV. **Conclusion.**

TIAA appreciates FINRA's efforts to quickly adapt and adjust to the new hybrid-model approach that much of the financial services industry has adopted. We believe that the Proposal will not only ease regulatory burdens for member firms, but will also ensure that important investor protections remain in place. We appreciate the opportunity to provide our thoughts and suggestions and welcome further engagement on any aspect of the foregoing.

Sincerely,

Helen Barnhill

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