



**Statement for the Record
Submitted to the Committee Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C.**

**Submitted by Kristie Arslan
President & CEO, National Association for the Self-Employed
March 6, 2012**

The National Association for the Self-Employed (NASE) respectfully submits this official statement for the record on today's hearing, "Spurring Job Growth Through Capital Formation While Protecting Investors, Part II." Today's hearing will hopefully highlight the continued struggle in securing capital and spotlights how capital formation, such as crowdfunding, can help support the self-employed and budding entrepreneurs looking to translate an idea into a product or service for sale in the global market.

Entrepreneurs exploring self-employment are continually faced with the challenges of raising capital. In fact, in past member surveys we found that nearly half of our members have used personal savings as the primary source of financing for their business. This continues to re-enforce the challenges that entrepreneurs face when raising capital for their small business. They have very few avenues to pursue funding and capital formation, like crowdfunding, provides an untapped resource for those entrepreneurs without significant personal savings to launch their business.

Last week NASE, along with several partner organizations, formally requested Majority Leader Reid and Minority Leader McConnell to move crowdfunding legislation in the Senate. The U.S. House of Representatives has already passed bi-partisan legislation, H.R. 2930, "Entrepreneurs Access to Capital Act", and two Senate bills await action, S. 1791, "Democratizing Access to Capital Act of 2011", introduced by Senator Brown (MA) and Senator Merkeley's, S. 1970, "Capital Raising Online While Deterring Fraud and Unethical Non-Disclosure Act of 2011." All three of these pieces of legislation would allow for the SEC to exempt businesses seeking crowdfunding from certain provisions of the Securities Act of 1933 and capping the funds raised at \$1 million annually. S.1970 includes more robust language aimed at investor protection which not only makes good policy but also, we believe, protects the integrity of crowdfunding in perpetuity. We strongly support these three pieces of legislation and encourage the Senate to act quickly.

Our hope is that in the course of the legislative process, the crowdfunding legislation will not only find additional Senate champions but will be free from restrictive requirements that would danger this unique and agile stream of capital formation.

Respectfully Submitted,

Kristie Arslan, President & CEO
National Association for the Self-Employed