



February 14, 2022

SUBMITTED TO: pubcom@finra.org

Jennifer Piorko Mitchell
Office of the Corporate Secretary
FINRA
1735 K Street NW
Washington, DC 20006-1506

**Re: Regulatory Notice 21-43: Proposed Amendments to FINRA Rule 3240
(Borrowing from or Lending to Customers)**

Dear Ms. Piorko Mitchell:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ appreciates the opportunity to comment on the proposed amendments to Financial Industry Regulatory Authority (“FINRA”) Rule 3240.² We appreciate FINRA’s retrospective review of this and other rules to better protect seniors and vulnerable adults from financial exploitation, a shared goal of ours. We support the amendments that modernize the definition of “Immediate Family,” align certain definitions with Rule 3241, and provide greater clarity and guidance in assessing which arrangements may be permissible under the exceptions to the prohibition. SIFMA looks forward to continuing to work with FINRA to address any practical supervisory challenges that may be created by the pre- and post- relationship aspect of the rule. We also welcome a discussion on harmonizing, where appropriate, FINRA, federal, and state investment adviser laws regulating borrowing and lending arrangements.

Respectfully submitted,

Bernard V. Canepa

Bernard V. Canepa
Managing Director and Associate General Counsel

¹ SIFMA is the leading trade association for broker-dealers, investment banks, and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s nearly one million employees, we advocate for legislation, regulation, and business policy affecting retail and institutional investors, equity and fixed income markets, and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. With offices in New York and Washington, D.C., SIFMA is the U.S. regional member of the Global Financial Markets Association (GFMA).

² FINRA Regulatory Notice 21-43, *Prohibition on Borrowing From or Lending to Customers* (Dec. 16, 2021).