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May 6, 2026

The Honorable Keith E. Sonderling, Acting Secretary
U.S. Department of the Labor
200 Constitution Avenue NW
Washington, DC 20210

Dear Acting Secretary Sonderling:

I write to urge you to pause efforts to place alternative assets, including private market investments, into Americans' 401(k) and other defined-contribution retirement plans.

We have begun to see cracks emerging in the credit markets, centered in the less transparent private credit market. Many private credit loans have been packaged into investment vehicles that have been marketed and sold to retail investors as offering the best of all worlds: high returns on investment grade assets and varying levels of liquidity on illiquid underlying assets. Recent questions about credit quality and economic uncertainty have accelerated requests by retail investors to get their money out of these vehicles, but managers have imposed gates on one-third of these requests totaling around \$4.6 billion. At the same time, we have seen a record number of workers making early withdrawals from their 401(k) plans in order to deal with higher expenses in the current economy.

Given these developments, it would be irresponsible at this time to fling open the doors to these new financial instruments and expose Americans' defined-contribution pensions to the unknown risk of private credit funds and underlying illiquid assets. I have asked SEC Chair Atkins to conduct an examination of valuation and sales practices for retail private credit vehicles and for Treasury Secretary Bessent to conduct a forward-looking analysis of systemic risk. It would be premature to open Americans' retirement accounts to these investments until these reviews are completed.

Thank you for your attention to this important matter.

Sincerely,



Jack Reed
United States Senator