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May 6, 2026

The Honorable Paul Atkins, Chairman
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Chairman Atkins:

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 and to conduct a review of valuation and sales practices for retail private credit vehicles.

We have begun to see cracks emerging in the private credit market. Questions about credit quality have led retail investors to request \$21 billion from vehicles holding private credit during the first quarter of this year, and most funds have exercised their discretion under the SEC's rules to temporarily suspend a portion of these redemptions. Given these developments, I request that the SEC take the following steps:

1. Examine sales practices used to place private credit with retail investors, focusing on communications regarding redemption limitations, asset diversification, fees and expenses, valuation practices, and the basic risk-reward profile of these funds. This examination should also cover how brokers and advisers determined that these investments were in the best interests of their clients and the financial incentives (including servicing fees, placement fees, and commissions) to distribute these products.
2. Review prospectuses for retail private credit funds, focusing on whether redemption limitations and valuation practices were fully and fairly disclosed.
3. Reimpose the limitation, which you rescinded in May 2025, on retail closed-end funds investing no more than 15% of their assets in private funds. Do not drop similar limitations that remain in place for open-end funds.
4. Bolster systemic risk reporting by private credit funds through Form PF, so the Financial Stability Oversight Council (FSOC) can assess systemic risk.
5. Pause efforts to make alternative assets available in defined-contribution retirement accounts, which you are actively pursuing, pending a systemic risk review that I have asked Treasury Secretary and FSOC Chair Bessent to conduct.

Thank you for your attention to this important matter.

Sincerely,



Jack Reed
United States Senator