

WSR 26-04-028
PROPOSED RULES
DEPARTMENT OF
FINANCIAL INSTITUTIONS
(Securities Division)
[Filed January 23, 2026, 3:25 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 25-20-040.

Title of Rule and Other Identifying Information: WAC 460-16A-205 (1)(e), North American Securities Administrators Association (NASAA) statement of policy (policy) regarding real estate investment trusts (REIT).

Hearing Location(s): On March 11, 2026, on 2:00 p.m., at the Department of Financial Institutions (DFI), 150 Israel Road S.W., Tumwater, WA 98501.

Date of Intended Adoption: March 12, 2026.

Submit Written Comments to: Jill Vallely, P.O. Box 41200, Olympia, WA 98504-1200, email jill.vallely@dfi.wa.gov, beginning February 4, 2026, by March 10, 2026.

Assistance for Persons with Disabilities: Contact Keera Earskine, phone 360-902-8760, TTY 1-800-833-6384, email keera.earskine@dfi.wa.gov.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rule would amend WAC 460-16A-205 (1)(e) to adopt the latest version of the NASAA policy regarding REIT adopted by NASAA on September 7, 2025. The policy is used to regulate registered securities offerings of REITs in Washington. The securities division currently applies the NASAA policy regarding REIT, amended May 7, 2007. The 2025 amendments to the policy add a concentration limit for investors, update the investor minimum net worth and income requirements, add provisions for the periodic inflation adjustment of the investor minimum net worth and income requirements, and incorporate the Securities and Exchange Commission's regulation best interest.

Reasons Supporting Proposal: The adoption of the 2025 amendments to the NASAA policy regarding REIT in Washington will enhance uniformity with other states and add additional protections for Washington investors.

Statutory Authority for Adoption: RCW 21.20.450.

Statute Being Implemented: Chapter 21.20 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: DFI intends to set an effective date for the rule of July 1, 2026, or later.

Name of Proponent: DFI, governmental.

Name of Agency Personnel Responsible for Drafting: Jill Vallely, 150 Israel Road S.W., Tumwater, WA 98501, 360-902-8760; Implementation: Nathan Quigley, 150 Israel Road S.W., Tumwater, WA 98501, 360-902-8760; and Enforcement: Brian Guerard, 150 Israel Road S.W., Tumwater, WA 98501, 360-902-8760.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. DFI is not one of the agencies listed in RCW 34.05.328(5).

Scope of exemption for rule proposal from Regulatory Fairness requirements:

Is not exempt.

The proposed rule does impose more-than-minor costs on businesses.

Small Business Economic Impact Statement (SBEIS)

SECTION 1: Description of the proposed rule: DFI, securities division has prepared this SBEIS in support of the proposed amendment of WAC 460-16A-205 (1)(e) to adopt the NASAA policy regarding REIT amended by NASAA on September 7, 2025.

The securities division currently uses the NASAA policy regarding REIT, amended May 7, 2007, to regulate registered offerings of REITs in Washington. On September 7, 2025, NASAA adopted amendments to this policy (available at <https://www.nasaa.org/wp-content/uploads/2025/09/NASAA-REIT-Guidelines-SOP-As-Amended-9-7-2025.pdf>). The amendments incorporate regulation best interest, update the minimum investor net worth and income requirements, add provisions for the periodic inflation adjustment of these minimum net worth and income requirements, and add an investor concentration limit. The securities division proposes to adopt the amended policy.

SECTION 2: Identify which businesses must comply with the proposed rule using the North American Industry Classification System (NAICS) codes and the minor cost thresholds: Pursuant to WAC 460-16A-205 (1)(e), all REITs registered or applying for securities registration in Washington under RCW 21.20.180 or 21.20.210 must comply with the NASAA policy regarding REIT. This does not include REITs whose securities are traded on national exchanges or sold pursuant to an exemption from registration, because such REITs are not required to register their securities in Washington.

The NAICS codes for REITs are 531110, 531120, 531130, and 531190.

The minor cost threshold that applies to this rule making under the Regulatory Fairness Act, chapter 19.85 RCW, is a cost per business of less than three-tenths of one percent of annual revenue or income, or \$100, whichever is greater, or one percent of annual payroll.

SECTION 3: Analyze the probable cost of compliance: Background: Washington and many other states use the NASAA policy regarding REIT to regulate registered offerings of non-traded REITs. On September 7, 2025, NASAA members voted to adopt amendments to the NASAA policy regarding REIT following a deliberative process that had extended for 13 years. During this time, the NASAA corporation finance section and the NASAA direct participation programs project group considered and drafted potential revisions to the policy and made three public proposals to amend the policy. Each proposal was subject to a public comment period in which stakeholders and other interested members of public could participate. Ultimately, the NASAA members voted to adopt the amended policy on September 7, 2025, with an effective date of January 1, 2026. As detailed in section 7 below, the amended policy as adopted by NASAA included revisions made to address concerns raised in prior public comment periods.

Several states automatically adopted the amended policy in accordance with their state regulations. Other states, such as Washington, have begun the rule-making process to adopt the amended policy. Prior to the adoption of the amended policy, at least 16 states imposed concentration limits comparable to the limit now imposed by the amended policy. Furthermore, regulation best interest has been in effect since 2020. Therefore, registered non-traded REITs have experi-

ence complying with the amended policy and provisions similar to those in the amended policy.

Regardless, we anticipate that compliance with the amended policy may cause more-than-minor costs for some Washington-registered REITs, due to the need to revise disclosure documents, subscription agreements, and compliance policies or procedures to reflect the application of the amended policy in Washington.

Survey of REITs Registered or Pending Registration in Washington: RCW 19.85.040 provides that an agency may survey a representative sample of affected businesses to assist in the accurate assessment of the costs associated with a proposed rule for the preparation of an SBEIS. To that end, the securities division conducted a survey to gather information from REITs, registered and pending registration, in Washington to assess the potential cost increases associated with compliance with the amended policy.

The securities division emailed a link to an online survey to all REITs registered in Washington or pending registration. At the time of the survey, 23 REITs met this description. The transmittal email explained the reasons for conducting the survey and requested that a representative for each REIT complete the survey. The survey consisted of 11 questions designed to collect information to conduct the economic analysis required by RCW 19.85.030 and 19.85.040. The survey provided a background statement briefly explaining each substantive amendment to the policy and asked whether each amendment would increase costs. If a respondent answered "yes," the survey requested information on the additional costs in the categories of professional services, equipment, supplies, labor, and administrative costs. Each question also provided a free-form response section for survey takers to make comments or provide additional information. The survey also queried whether the rule making in its entirety would cause a loss of revenue or the loss or addition of any jobs. The survey period lasted from November 17, 2025, to December 10, 2025.

The securities division received three responses from REITs, registered or applying for registration, in Washington. The responses from these REITs indicated that each REIT had zero employees. Non-traded REITs are externally managed by federally registered investment advisers. The advisers conduct the day-to-day business of the REITs. The REITs maintain officers and a board of directors, but these individuals are not employees of the REIT. In response to the survey, the Washington-registered REITs reported total revenues in the last fiscal year of \$206,211,000; \$407,633,000; and \$38,900,000. In addition, each REIT is conducting a nationwide offering of securities to raise more than \$1 billion. Regardless, each REIT technically meets the definition of a small business as defined by RCW 19.85.020(3) because each has 50 or fewer employees.

The following table provides the responses from REITs registered in Washington to the survey questions that asked whether compliance with the substantive amendments to the policy would create any additional costs:

Whether Rule Changes Would Create Additional Costs - REITs Registered in Washington		
	Yes	No
Regulation best interest	1	2
Increase in investor net worth and income requirements	2	1
Periodic inflation adjustment to net worth/income requirements	2	1
Investor concentration limit	2	1

The securities division also received four responses from respondents that are not REITs, registered or applying for registration, in Washington. Regardless, we decided to include their responses in this SBEIS. The following table provides the combined responses from all seven survey respondents in response to the survey questions that asked whether compliance with the substantive amendments to the policy would create any additional costs:

Whether Rule Changes Would Create Additional Costs - All Respondents		
	Yes	No
Regulation best interest	3	4
Increase in investor net worth and income requirements	5	2
Periodic inflation adjustment to invest net worth/income requirements	5	2
Investor concentration limit	5	2

The registered REIT survey respondents indicated that the amendments to the policy may increase their costs, but they either declined to provide any estimates for the cost increases or stated that the cost increases would be \$0. As a result, we cannot calculate the estimated increase in costs per employee, per hour of labor, or per \$100 of sales for the registered REITs.

Only one respondent provided estimates regarding anticipated cost increases. This respondent was not a Washington-registered REIT. This respondent indicated that policy provisions regarding the increase in investor net worth and income requirements, and the periodic inflation adjustment of these requirements, would both result in \$125,000 of additional professional services; \$50,000 of additional supplies; \$25,000 of additional labor; and \$50,000 of additional administrative expenses. This respondent reported no employees; therefore, we could not calculate the cost increase per employee or per hour of labor. However, we were able to calculate increased costs per \$100 of sales. To make this calculation, we started with the respondent's representation that its prior fiscal year revenues were "greater than \$50 million." From this, we assumed the total annual revenue was \$50 million and that this was equivalent to total sales. Accordingly, we calculated the anticipated increased costs per \$100 of sales revenue for this respondent as follows:

Average Cost Increase Per Annual Revenue (One Respondent)					
Statement of policy provision	Professional Services	Equipment	Supplies	Labor	Admin
Regulation best interest	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in investor net worth and income requirements	\$0.25	\$ -	\$0.10	\$0.05	\$0.10
Periodic inflation adjustment to net worth and income requirements	\$0.25	\$ -	\$0.10	\$0.05	\$0.10
Investor concentration limit	\$ -	\$ -	\$ -	\$ -	\$ -

Adding together the categories of expense, the total anticipated costs to comply with the investor net worth and income requirements under the amended policy is \$0.50 per \$100 of sales. In addition, the total anticipated costs to comply with periodic inflation adjustment of the investor net worth and income requirements is \$0.50 per \$100 of sales.

None of the survey respondents anticipated that the adoption of the amended policy would result in lost sales or revenue. Accordingly, we calculated the lost revenue per annual revenue as follows:

Amount of Lost Sales or Revenue Caused by the Rules (Per Annual Revenue)	
Average of Washington-registered REITs	\$0
Average of all survey respondents	\$0

Discussion of Survey Results: The survey results generally indicated that the amended policy would increase costs:

Whether the Amended Statement of Policy Provisions Will Increase Costs				
Statement of policy provision	Registered REITs		All Survey Respondents	
	Yes	No	Yes	No
Regulation best interest	33.3%	66.6%	42.9%	57.1%
Increase in investor net worth and income requirements	66.6%	33.3%	71.4%	28.6%
Periodic inflation adjustment to net worth and income requirements	66.6%	33.3%	71.4%	28.6%
Investor concentration limit	66.6%	33.3%	71.4%	28.6%

Regulation Best Interest: Shares of non-traded REITs are typically sold by federally registered broker-dealers and their associated persons (salespersons) for commissions. Regulation best interest is a standard of conduct that requires federally registered broker-dealers and their associated persons to act in the best interest of a retail customer when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer. Regulation best interest (17 C.F.R. 240.151-1) became effective on September 10, 2019, with a compliance date of June 30, 2020. Accordingly, all federally registered broker-dealers currently must comply with regulation best interest.

The amended policy creates a definition of "conduct standards," which includes regulation best interest as a "standard of conduct required of or owed by the person selling, recommending, or providing investment advice relating to the shares of the REIT to the shareholder or prospective shareholder under federal or state law or standards set by self-regulatory organizations." Section III.C of the amended policy requires that the sponsor and each person selling shares on behalf of the sponsor or REIT must make every reasonable effort to determine that the purchase of shares is in compliance with applicable conduct standards. Regulation best interest is a standard that applies only to broker-dealers and their associated persons with respect to securities recommendations made to retail customers.

The survey results indicated that 33.3 percent of registered REITs and 42.9 percent of total respondents expected the amended policy provisions regarding regulation best interest to increase costs. Respondents did not provide cost estimates. While federally registered broker-dealers who sell non-traded REIT shares have been complying with regulation best interest since 2020, registered non-traded REITs may incur professional or administrative expenses to review and update their prospectuses, subscription agreements, and compliance procedures to reflect the updated language of the policy.

Increase in Investor Net Worth and Income Requirements: Section III.B of the 2025 policy raises the minimum income and net worth requirements that investors must meet to purchase shares in a REIT. At the time of investment, an investor must have: (1) A minimum annual

gross income of \$100,000 and a minimum net worth of \$100,000; or (2) a minimum net worth of \$350,000. Currently, Washington investors must demonstrate: (1) A minimum annual gross income of \$70,000 and a minimum net worth of \$70,000; or (2) a minimum net worth of \$250,000.

The survey results indicated that 66.6 percent of registered REITs and 71.4 percent of total respondents expected the increased minimum investor net worth and income requirements to increase their expenses. One respondent to the survey provided data regarding expected cost increases. This respondent indicated that the total anticipated costs to comply with the increase in investor net worth and income requirements under the amended policy would be \$0.50 per \$100 of sales.

The increase in the minimum investor net worth and income requirements may result in fewer investors being eligible to invest in REITs because fewer people will meet the increased standard as opposed to the old standard. However, the survey respondents did not expect the amendments to cause any lost sales. Registered non-traded REITs may incur professional services or administrative expenses to review and update their prospectuses, subscription agreements, and compliance procedures to reflect the updated net worth and income requirements for investors in Washington that would apply after the adoption of the amended policy.

Periodic Inflation Adjustment of Investor Net Worth and Income Requirements: Section III.B of the amended policy provides that the investor minimum income and net worth requirements will be periodically adjusted for inflation every five years. The new thresholds will be established in an addendum to be published by NASAA. The 2007 policy has no provision for periodic inflation adjustments. The survey results indicated that 66.6 percent of registered REITs and 71.4 percent of total respondents expected the periodic inflation adjustments to increase costs. One respondent to the survey provided data regarding expected cost increases. This respondent indicated that the total anticipated costs to comply with the increase in investor net worth and income requirements under the amended policy would be \$0.50 per \$100 of sales.

The periodic inflation adjustment in the minimum investor net worth and income requirements may result in fewer investors being eligible to invest in REITs after the periodic adjustment occurs. However, the survey respondents did not expect the amendments to cause any lost sales. Registered non-traded REITs may incur professional services or administrative expenses to review and update their prospectuses, subscription agreements, and compliance procedures to reflect the updated net worth and income requirements for investors in Washington that would apply after the adoption of the amended policy.

Investor Concentration Limit: Section III.D of the 2025 policy adds a concentration limit that provides that an investor's aggregate investments in the REIT and other non-traded direct participation programs may not exceed 10 percent of the investor's liquid net worth at the time of the investor's investment in the REIT. The concentration limit will not apply to accredited investors. Currently, Washington does not impose a concentration limit on investors in a non-traded REIT.

The survey results indicated that 66.6 percent of registered REITs and 71.4 percent of total respondents expected the investor concentration limit to increase costs. Respondents did not provide cost estimates. As a result of the imposition of a concentration limit, individual investors may not be able to invest as much in the offering of a non-traded REIT. However, we note that the survey respondents did

not expect lost sales or revenue. Registered non-traded REITs may incur professional services or administrative expenses to review and update their prospectuses, subscription agreements, and compliance procedures to reflect that a 10 percent concentration limit will apply in Washington after the adoption of the amended policy.

SECTION 4: Analyze whether the proposed rule may impose more-than-minor costs on businesses in the industry: RCW 19.85.030 provides that an agency must prepare a small business economic impact statement if the agency proposes rules that would impose more-than-minor costs on businesses in an industry. RCW 19.85.020 defines a "minor cost" as a cost per business that is less than three-tenths of one percent of annual revenue or income, or \$100, whatever is greater; or one percent of annual payroll.

The securities division has determined, based on the results of the survey as described in section 3, that at least some of the rules may impose more-than-minor costs on REITs registered in Washington because such costs may exceed \$100.

SECTION 5: Determine whether the proposed rule may have a disproportionate impact on small businesses as compared to the 10 percent of businesses that are the largest businesses required to comply with the proposed rule. Also, consider, based on input received, whether compliance with the rule will cause businesses to lose sales or revenue: RCW 19.85.040 requires that the securities division determine whether compliance with the proposed rules would have a disproportionate impact on small businesses by comparing the cost of compliance for small business with the costs of compliance for the 10 percent of businesses that are the largest businesses required to comply with the proposed rules.

All Washington-registered REITs that responded to the survey indicated that they had zero employees. In our experience, all REITs currently registered in Washington have zero employees because they are externally managed by a federally registered investment adviser. Small businesses are defined by RCW 19.85.020(3) as having 50 or fewer employees. We anticipate that all businesses that will be required to comply with the amended policy will be small businesses because they will be externally managed REITs with no employees. Consequently, we anticipate that there will be no disproportionate impact on small businesses as compared to the largest 10 percent of businesses that will be required to comply with the policy.

Regardless of this conclusion, and mindful of the limited data set of our survey and the provisions of RCW 19.85.030(4) (in the absence of sufficient data to calculate disproportionate impacts, an agency whose rule imposes more-than-minor costs must mitigate the costs to small businesses, where legal and feasible, as defined in this chapter), the securities division has detailed in section 6 its efforts to mitigate the costs of the amended policy imposed upon small businesses.

SECTION 6: If the proposed rule is likely to impose a disproportionate impact on small businesses, identify the steps taken to reduce the costs of the rule on small businesses: In adopting the uniform standards of the amended policy, the securities division believes it is balancing the business concerns of registered REITs with the securities division's mission to protect the investing public and promote confidence in the capital markets. As discussed in section 5 above, the securities division does not believe the adoption of the amended policy will create a disproportionate impact on small businesses as compared to the largest 10 percent of businesses required to comply.

Nonetheless, as set forth below, the securities division has evaluated mitigation steps to reduce the burden of compliance.

Reducing, Modifying, or Eliminating Substantive Regulatory Requirements: The securities division believes that the adoption of the amended policy promotes efficiencies because it promotes uniform regulatory requirements among the states. Many states have automatically adopted the amended policy. By aligning our requirements with the amended policy rather than the outdated version of the policy, we are reducing the regulatory burden on REITs. Beyond this, we do not believe it is appropriate to reduce, modify, or eliminate any of the substantive regulatory requirements established in the amended policy, because this would have a negative impact on investor protection and conflict with the goal of creating uniformity among the states.

Simplifying, Reducing, or Eliminating Recordkeeping and Reporting Requirements: The amended policy requires REITs to document that they are complying with the new minimum investor net worth and income requirements and the concentration limit. However, the amended policy does not impose any new recordkeeping or reporting requirements on REITs. Accordingly, the securities division cannot simplify, reduce, or eliminate recordkeeping or reporting requirements.

Reducing the Frequency of Inspections: Non-traded REITs are complex, illiquid investments that present various risks to investors. That said, the securities division does not conduct examinations of the books and records of non-traded REITs despite having the statutory authority to do so pursuant to RCW 21.20.700. Instead, the securities division focuses on conducting a thorough review of applications for securities registration submitted by REITs to ensure proper disclosure is made to prospective investors and the safeguards contained in the policy are in place. We do not believe that reducing the frequency or the rigor of the review of these applications would be in the interest of investor protection.

However, the securities division undertakes to utilize its existing processes to afford REITs the opportunity to comply with the amended policy. Our application review process involves the issuance of comment letters that identify deficiencies. The comment letter process provides applicants with guidance and a reasonable opportunity to revise offering materials or make other requested changes to demonstrate compliance with applicable standards. The purpose of the comment letter process is to facilitate compliance and not to deny registration.

Delaying Compliance Timetables: The securities division acknowledges that REITs may require professional services from attorneys to assist them in updating their offering documents, subscription agreements, and compliance policies to reflect the provisions of the amended policy, and may need additional time to implement other operational changes related to the amended policy.

Typically, new rules in Washington will be effective 31 days after adoption, unless DFI specifies an alternate effectiveness date on the CR-103P rule-making order. The securities division undertakes to delay the effectiveness date of the policy in Washington until at least July 1, 2026.

Reducing or Modifying Fine Schedules for Noncompliance: As stated above, the securities division intends to utilize its application review and comment letter process to facilitate the compliance of REITs with the amended policy. This process does not involve the imposition of fines. Rather, the process provides applicants with an opportunity to revise their offering materials or make other requested changes to

demonstrate compliance with the amended policy and receive clearance for registration or renewal.

Any Other Mitigation Techniques, Including Those Suggested by Small Businesses or Small Business Advocates: The securities division received a comment on the CR-101 from an industry group for alternative investment products such as non-traded REITs. The comment letter requested that if the securities division adopts a concentration limit, the securities division provide an exception for investors who are accredited investors. Section III.D.4 of the amended policy contains a carve-out from the concentration limit for accredited investors. The securities division intends to allow REITs to use this carve-out in Washington as contemplated by the policy.

In addition, to encourage uniformity, the securities division confirms it intends to adhere to the minimum investor net worth and income requirements as set forth in the amended policy and as periodically adjusted for inflation by NASAA. The securities division does not plan to impose minimum investor standards that are higher than or in addition to the provisions in the amended policy.

SECTION 7: Describe how small businesses were involved in the development of the proposed rule: Both NASAA's process to amend the policy and the securities division's rule-making process to adopt the amended policy have involved seeking feedback from REITs and other interested parties, including small businesses as defined by RCW 19.85.020(3).

NASAA members voted to amend the policy at the conclusion of an extensive deliberative process that began in 2012 as internal discussions of the NASAA direct participation plan project group. Over the years, NASAA representatives engaged in numerous in-person and remote meetings with industry and investor advocates concerning the policy. In addition, NASAA representatives provided presentations to industry regarding its public proposals, including presentations made at the invitation of industry groups such as the Institute for Portfolio Alternatives and the Alternative and Direct Investment Securities Association. In addition, NASAA posted the comments received on its public proposals on its website.

In 2016, NASAA requested public comments on a proposal to amend the policy to add a concentration limit, and internally evaluated the responses. In 2022, NASAA publicly proposed amendments to the policy to: (1) Update the conduct standards for brokers that sell non-traded REITs to incorporate regulation best interest; (2) update the minimum investor net income and net worth thresholds; (3) establish a uniform concentration limit; and (4) add a new prohibition against using gross offering proceeds as an investment objective. NASAA extended the deadline to submit comments in response to an industry request, and ultimately received more than 50 public comments on the proposal.

In response to concerns raised in prior public comments, NASAA modified its proposal in 2025 and again requested public comments. In comparison to the 2022 proposal, the 2025 proposal: (1) Removed references to affiliates from Section III.D.3 (to exclude covered securities of affiliates from the concentration limit); (2) added a carve-out from the concentration limit for accredited investors; (3) revised the conduct standards in Section III.C.1 to only apply to the sponsor or persons selling shares on behalf of the sponsor; (4) added inflation adjustments to net worth and income thresholds; and (5) eliminated the proposed prohibition against using gross offering proceeds as an investment objective or strategy to make distributions.

On September 7, 2025, NASAA members voted to adopt the amendments to the policy as set forth in the 2025 proposal. The final amendments

included adjustments made in response to the participation of industry and small businesses in an open public comment process over many years.

The securities division's proposal to amend WAC 460-16A-205 (1)(e) to adopt the amended policy rests on the foundation of NASAA's extensive process. In addition, the securities division's rule-making process has continued to involve small businesses. The securities division filed a CR-101 preproposal statement of inquiry with the code reviser's office on September 24, 2025, stating that the securities division was considering adopting the amended policy. On October 9, 2025, the securities division electronically mailed the CR-101 to all REITs registered or pending registration in Washington to solicit their comments. At the same time, the securities division electronically mailed the CR-101 to its securities rule making interested persons list and posted the CR-101 on its website. The securities division received one comment on the CR-101.

On November 17, 2025, the securities division emailed a link to an electronic survey to all REITs registered or pending registration in Washington. As discussed in section 3, the survey collected information from REITs regarding the expected costs of the adoption of the amended policy in Washington. The securities division considered the feedback received from the survey when undertaking steps to mitigate costs, as discussed in section 6 above.

The securities division now intends to proceed with the rule making by formally proposing to amend WAC 460-16A-205 (1)(e) in a CR-102 proposed rule making filing with the code reviser's office. The securities division will distribute the CR-102 to our registered REITs and those pending registration, and our securities rule making interested persons list. REITs and all interested members of the public will have an opportunity to submit comments on the proposed rule and participate in the rule-making hearing.

SECTION 8: Identify the estimated number of jobs that will be created or lost as the result of compliance with the proposed rule: The results of the survey indicated that no jobs would be eliminated or created as a result of the proposed rules.

SECTION 9: Summarize the results of the analysis, including the determination if costs are disproportionate: As discussed in section 5 above, securities division does not believe the amended policy will impose disproportionate cost on small businesses as compared to the largest 10 percent of businesses required to comply with policy. However, the securities division detailed in section 6 the actions it undertakes to mitigate costs for the REITs subject to the policy.

A copy of the statement may be obtained by contacting Jill Vallely, P.O. Box 41200, Olympia, WA 98504-1200, phone 360-902-8760, TTY 1-800-833-6384, email jill.vallely@dfi.wa.gov.

January 23, 2026
Charlie Clark
Director

RDS-6766.1

AMENDATORY SECTION (Amending WSR 19-04-083, filed 2/4/19, effective 3/7/19)

WAC 460-16A-205 Adoption of NASAA statements of policy. (1) In order to promote uniform regulation, the administrator adopts the following North American Securities Administrators Association (NASAA) statements of policy for offerings registering pursuant to RCW 21.20.180 or 21.20.210:

- (a) Registration of publicly offered cattle feeding programs, as adopted September 17, 1980;
- (b) Registration of commodity pool programs, as adopted with amendments through May 6, 2012;
- (c) Equipment programs, as adopted with amendments through May 6, 2012;
- (d) Registration of oil and gas programs, as adopted with amendments through May 6, 2012;
- (e) Real estate investment trusts, as adopted with amendments through ((May 7, 2007)) September 7, 2025;
- (f) Real estate programs, as adopted with amendments through May 7, 2007;
- (g) Loans and other material affiliated transactions, as adopted with amendments through May 6, 2018;
- (h) Options and warrants, as adopted with amendments through March 31, 2008;
- (i) Registration of direct participation programs - omnibus guidelines, as adopted with amendments through May 7, 2007;
- (j) Mortgage program guidelines, as adopted with amendments through May 7, 2007;
- (k) Church bonds, as adopted April 14, 2002;
- (l) Corporate securities definitions, as adopted with amendments through May 6, 2018;
- (m) Impoundment of proceeds, as adopted with amendments through March 31, 2008;
- (n) Preferred stock, as adopted with amendments through September 11, 2016;
- (o) Promotional shares, as adopted with amendments through March 31, 2008, except that the term promotional shares shall be limited to those equity securities which were issued within the last three years and that all promotional shares in excess of twenty-five percent of the shares to be outstanding upon completion of the offering may be required to be deposited in escrow absent adequate justification that escrow of such shares is not in the public interest and not necessary for the protection of investors;
- (p) Registration of asset-backed securities, as adopted with amendments through May 6, 2012, except for offerings registering or required to register pursuant to chapter 460-33A WAC or RCW 21.20.705 through 21.20.855;
- (q) Promoters' equity investment, as adopted with amendments through September 11, 2016;
- (r) Specificity in use of proceeds, as adopted with amendments through September 11, 2016;
- (s) Underwriting expenses, underwriter's warrants, selling expenses, and selling security holders, as adopted with amendments through May 6, 2018;
- (t) Unsound financial condition, as adopted with amendments through May 6, 2018;

(u) Unequal voting rights, as adopted with amendments through September 11, 2016;

(v) Guidelines for general obligation financing by religious denominations, as adopted April 17, 1994;

(w) Risk disclosure guidelines, as adopted September 9, 2001;

(x) Church extension fund securities, as adopted with amendments through April 18, 2004; and

(y) Guidelines for cover legends, as adopted October 2, 2004.

(z) Electronic offering documents and electronic signatures, as adopted May 8, 2017.

(2) An offering registering pursuant to RCW 21.20.180 or 21.20.210 that falls within one or more of the statements of policy listed in subsection (1) of this section must comply with the requirements of said statement of policy or policies.

(3) The statements of policy referred to in subsection (1) of this section are found in *CCH NASAA Reports* published by Commerce Clearing House. Copies are also available at the office of the securities administrator.