



April 21, 2026

The Honorable French Hill
Chairman
U.S. House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
U.S. House Committee on Financial Services
4340 O'Neill House Office Building
Washington, DC 20515

The Honorable Warren Davidson
Chairman
U.S. House Subcommittee on National Security,
Illicit Finance, and International Financial
Institutions
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Joyce Beatty
Ranking Member
U.S. House Subcommittee on National Security,
Illicit Finance, and International Financial
Institutions
4340 O'Neill House Office Building
Washington, DC 20515

RE: NLBMDA's Support of H.R. 425, the *Repealing Big Brother Overreach Act*

Dear Chairman Hill, Ranking Member Waters, Chairman Davidson, and Ranking Member Beatty:

On behalf of the National Lumber and Building Material Dealers Association (NLBMDA), I write to express strong support for H.R. 425, the *Repealing Big Brother Overreach Act*. This legislation would codify recent regulatory refinements to the beneficial ownership reporting framework established under the Corporate Transparency Act (CTA) by limiting reporting obligations to foreign reporting companies and foreign beneficial owners, consistent with FinCEN's current approach.

NLBMDA is a Washington, D.C.-based trade association representing more than 6,000 lumber and building material (LBM) dealer locations nationwide. These businesses are essential contributors to the residential construction, remodeling, and light commercial building sectors, supplying critical materials to builders, contractors, and consumers. The vast majority of LBM dealers are family-owned, community-based businesses that take pride in offering expert, individualized service, built on generations of experience and long-standing ties to the communities they serve. However, under the CTA's previous framework, many of these small businesses would be swept into a broad reporting compliance regime.

As originally implemented, the CTA cast an extraordinarily wide net. According to the Financial Crimes Enforcement Network (FinCEN), the law was expected to apply to approximately 32 million entities, predominantly small businesses with fewer than 20 employees or less than \$5 million in annual revenue. While the CTA was intended to assist law enforcement in combating illicit finance by requiring certain entities to report beneficial ownership information (BOI), its expansive scope has instead imposed significant compliance burdens on law-abiding Main Street businesses, including LBM dealers. At the same time, bad actors intent on evading detection are unlikely to self-report accurate information, raising questions about the practical effectiveness of the regime in its previous form.

NLBMDA previously joined a broad coalition of organizations representing millions of small businesses in supporting both judicial and administrative delays to the Corporate Transparency Act's (CTA) originally sweeping enforcement. These efforts ultimately contributed to a significant shift in implementation. In March 2025, the Financial Crimes Enforcement Network (FinCEN) issued an interim final rule that substantially narrowed the scope of beneficial ownership information (BOI) reporting requirements by removing U.S. companies and U.S. persons from the definition of "reporting companies." As a result, BOI reporting obligations are now largely limited to entities formed under foreign law and registered to do business in the United States, aligning the framework more closely with its intended focus on higher-risk entities.

By advancing a more targeted approach, H.R. 425 would maintain the federal government's ability to combat money laundering and illicit finance while ensuring that compliance obligations are proportionate and appropriately tailored. The legislation also takes the important step of codifying the Administration's recent regulatory refinements to CTA, providing long-term certainty and protecting millions of small businesses from the risk of future regulatory reversals. In addition, H.R. 425 adopts a commonsense data governance provision by requiring the deletion of previously collected beneficial ownership information for entities and individuals that no longer fall within the statute's scope.

Thank you for your consideration of this important legislation and for your continued leadership on issues impacting the small business community, including America's LBM dealers.

Sincerely,



Jonathan M. Paine, CAE
President & CEO
National Lumber and Building Material Dealers Association