Catholic Health Association of the United States

A Passionate Voice for Compassionate Care

November 20, 2026

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: S7-2026-32, Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4 (91 Fed. Reg. 59904)

Dear Secretary Countryman,

The Catholic Health Association of the United States, the national leadership organization of the Catholic health ministry, representing more than 2,000 Catholic healthcare sponsors, systems, hospitals, long-term care facilities and related organizations across the continuum of care, appreciates the opportunity to comment on the referenced proposed rule and express our opposition to the rescission of the Rule 14a-8 shareholder resolution process.

Many of CHA's members are shareholders in publicly traded companies and view their investment strategies as integral to and inseparable from their moral, religious, ethical, and healthcare commitments. Rule 14a-8 is a meaningful, efficient, and well-established mechanism for shareholder engagement.

CHA belongs to the Interfaith Center on Corporate Responsibility, a group of 300 like-minded organizations comprising faith communities, asset managers, unions, pensions, NGOs, and other investors, as do many of our member systems and facilities. Our members who engage with companies and investors on critical environmental, social, and governance issues have expressed great concern to us about eliminating the requirement that shareholder resolutions be included in corporate proxy statements.

Silencing Faith-Based Speech

Rule 14a-8 facilitates the active participation of shareholders in corporate decision-making. Requiring shareholder proposals to be included in proxy statements acknowledges that in-person attendance at meetings is not practical and shareholders need a means to communicate with each other about resolutions and issues of concern.

The current process allows our members to engage with corporate management to address governance risks, rather than divesting when they have concerns. It is a key part of their asset management strategy. They also have a responsibility as ministries of the Catholic church to weigh in on issues such as human capital management, access to healthcare, environmental impacts, and similar issues that impact the health of both the corporations they invest in and the communities they serve. Economic and investment decisions should serve human dignity and the common good as well as financial outcomes.

The congregations of women religious who founded our hospitals were leaders in the development of socially responsible investment. The Vatican has called on Catholic investors to apply the principles of Catholic social teaching to their investment strategies and to "actively leverage their ownership to influence […] the enterprises in which they invest."[1] And earlier this week, the bishops of the United States updated and reaffirmed their Socially Responsible Investment Guidelines. The guidelines encourage the use of shareholder resolutions to advance corporate policies that are consistent with the Church's moral and social teaching.[2]

Rescinding Rule 14a-8 would make it impossible for religious-based shareholders to have meaningful interaction with corporate leadership and fellow shareholders, substantially chilling their exercise of constitutionally protected religious exercise and corporate speech. Eliminating the federal process would mean shareholders would have to contend with different corporate practices for each investment or, as the SEC proposes, with 50 different state approaches to stakeholder proposals. Smaller faith-based investors, such as religious congregations, would find participation particularly cost-prohibitive. Rescinding the shareholder participation rule would impose a substantial burden on religious exercise, with no compelling reason, in violation of the Religious Freedom Restoration Act.

Lack of Legal Justification

The SEC proposes to rescind Rule 14a-8 because it contends that the rule exceeds the Commission's legal authority. CHA disagrees and believes there is no compelling legal reason for rescinding Rule 14a-8.

Congress enacted Section 14a of the Securities Exchange Act of 1934 to ensure proxy solicitations provide shareholders with accurate and complete information and authorized the Commission to regulate proxy solicitation and disclosure and develop rules to protect the rights of shareholders. In 1942, the Commission adopted a shareholder proposal rule, which has been amended several times over the past 80 years, by administrations of both parties, with no suggestion that its legal authority was suspect. Numerous courts have issued decisions holding or presuming the legal validity of the shareholder proposal requirement. The rule simply dictates

[1] Pontifical Academy of Social Sciences, *Mensuram bonam.* Faith-Based Measures for Catholic Investors: A Starting Point and Call to Action (2022), no. 42.
[2] United States Conference of Catholic Bishops. *Socially Responsible Investment Guidelines*. Washington, DC: United States Conference of Catholic Bishops, 2026, pp 7-8. See also, National Conference of Catholic Bishops, Economic Justice for All, Introduction (1986), no. 354: "As part owners, [investors] must cooperate in shaping the policies of those companies through dialogue with management, through votes at corporate meetings, through the introduction of resolutions and through participation in investment decisions."

the content of a corporate proxy statement, which is clearly within the authority of the SEC under Section 14a.

Practical Considerations

The proposed rescission would replace a uniform national framework with a fragmented patchwork of state laws and company-specific governing documents, creating structural fragmentation and regulatory uncertainty. CHA's members have investments in companies incorporated across multiple states and would be forced to navigate dozens of distinct regulatory frameworks and corporate bylaws. Rather than enhancing efficiency, the proposal would impose substantial costs and create significant procedural barriers to shareholder participation.

Conclusion

For these reasons, CHA urges the Commission to abandon the proposed rescission of Rule 14a-8 and instead engage stakeholders on ways to support shareholder participation and effective corporate governance.

Thank you for the opportunity to share our comments on the proposed rule. If you have any questions about these comments or need more information, please do not hesitate to contact me or Kathy Curran, Senior Director Public Policy, at 202-721-6300.

Sincerely,



Lucas Swanepoel, J.D.Association
Vice President Public Policy and Advocacy