



December 1, 2025

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Johnson and Democratic Leader Jeffries:

Carta provides the technology infrastructure for the innovation economy, supporting private companies at every stage from idea to IPO and the investors that back them. Today, Carta provides equity management and valuation services for more than 50,000 startups and growth-stage companies with over \$4 trillion in equity. We also provide fund administration services, portfolio management, and investor reporting for over 8,500 private funds, representing nearly \$200 billion in assets under administration. Our end-to-end platform connects the private capital ecosystem and brings transparency, accuracy, and timeliness to private markets, helping unlock even greater potential.

Carta applauds the bipartisan efforts in Congress to promote capital formation to drive innovation, economic growth, job creation, and opportunity, particularly for entrepreneurs and investors outside traditional funding hubs. While private capital markets have driven remarkable innovation, their benefits are limited to a small segment of founders and investors. We believe expanding access to these markets is the catalyst for economic growth and is critical to ensuring American innovation remains at the forefront.

Importance of access to capital and supporting emerging fund managers

The U.S. capital markets are the engine that power innovation and economic growth, but raising capital can be challenging for many startups, funds, and businesses. While private capital has grown substantially over the past few decades, opportunities to access these resources remain limited outside of traditional capital-raising hubs and networks. Unless we modernize our policy infrastructure, the benefits of this economic and innovation engine will be constrained, and as private markets continue to grow, this gap will only widen. We need to bolster private capital, but importantly, we need to broaden its reach to more investors, more entrepreneurs, more companies, and more communities.

To broaden the startup ecosystem, we must broaden the investor ecosystem beyond the traditional tech funding hubs and networks. Emerging managers are key to driving regional growth and further diversifying private capital. Capital has become more mobile, but proximity still matters, particularly at the earliest stages. These smaller funds are more likely to invest early, invest locally, and support a more diverse pool of entrepreneurs. Policy that lowers barriers and helps drive capital to this segment will help broaden local networks, create more economic opportunity, and lead to a more robust ecosystem.

This week, the House is expected to consider a number of bipartisan bills to further these goals, including:

- **H.R. 4429, the Developing and Empowering our Aspiring Leaders (DEAL) Act,**
- **H.R. 4431, the Improving Capital Allocation for Newcomers (ICAN) Act, and**
- **H.R. 2066, the Investing in All of America Act**

The DEAL Act: Expanding qualifying venture capital investments

The [DEAL Act](#), sponsored by Reps. Ann Wagner and Sean Casten, will help drive more capital into emerging markets and further diversify the venture ecosystem by expanding the category of qualifying investments to include portfolio company investments acquired through secondary transactions and investments in other venture capital funds. Due to regulatory constraints, venture capital funds are largely limited to making direct investments in private companies unless they register with the SEC and face the costly, burdensome compliance regime that accompanies registration. Increasing the ability for fund managers to invest in other VC funds could help incentivize established funds to invest in regional and emerging fund managers, unlocking a significant source of capital for growing entrepreneurial ecosystems. Further, expanding the ability for funds to invest through secondary transactions will help provide more liquidity for founders, employees, and early-stage investors, allowing them to turn equity into financial gain and invest in themselves or other businesses. It will also provide an avenue for new investors to gain exposure to startups that have demonstrated maturation and scale.

The ICAN Act: Expanding size and investor limits for qualifying venture capital funds

The ICAN Act, sponsored by Reps. William Timmons and Brittany Pettersen, will help emerging fund managers raise capital by increasing the size and investor caps for qualifying venture capital funds. Under Section 3(c)(1) of the Investment Company Act, private funds cannot raise capital from 100 or more accredited investors. Congress created "[qualifying venture capital funds](#)" to enable smaller fund managers to raise capital from up to 250 investors, but the fund size is capped at \$12M, limiting the utility of this provision. The higher limit of beneficial owners was intended to help emerging managers raise competitive funds by collecting smaller contributions from a greater number of accredited investors, but in practice, the size cap of \$12M continues to limit the utility of this provision. The ICAN Act expands the size and investor limits to \$50M in assets under management and 500 investors, respectively, enabling smaller managers to assemble competitive funds and raise capital from a broader investor base, which could help foster the development of more localized networks and provide greater access to capital for entrepreneurs in these regions.

The Investing in All of America Act: Bolstering regional growth and critical technology

The Investing in All of America Act, sponsored by Reps. Dan Meuser and Hillary Scholten, will enhance the ability of Small Business Investment Companies (SBICs) to drive capital into underserved areas and incentivize investments in critical technologies to help the U.S. maintain its competitive edge. SBICs are professionally managed firms that raise private capital and amplify it with leverage provided by the Small Business Administration. SBICs are subject to a leverage cap, which limits the amount of SBA-backed capital that can be deployed based on how much private capital the firm has. The Investing in All of America Act removes investments in rural and low-income areas, manufacturing, and national security sectors, from these leverage caps, incentivizing capital deployment to these segments through professionally managed and regulated vehicles.

Thank you for your leadership. We look forward to continuing to work with you to advance policies to ensure America's entrepreneurs and innovators can access the capital they need at each stage in their life cycle regardless of geographic location.

Sincerely,



Anthony Cimino
Head of Policy

cc: The Honorable French Hill
The Honorable Maxine Waters
The Honorable Roger Williams
The Honorable Nydia Velázquez
The Honorable Ann Wagner
The Honorable Sean Casten
The Honorable William Timmons
The Honorable Brittany Pettersen
The Honorable Dan Meuser
The Honorable Hillary Scholten