

September 22, 2026

The Honorable Tim Scott (R-SC)
Chairman
United States Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Elizabeth Warren (D-MA)
Ranking Member
United States Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Re: Innovator Alliance supports passage of the Developing and Empowering Our Aspiring Leaders (DEAL) Act and Expanding American Entrepreneurship Act

Dear Chairman Scott and Ranking Member Warren:

On behalf of America's innovation and entrepreneurial community, we respectfully urge the Senate Committee on Banking, Housing, and Urban Affairs to advance key bipartisan capital formation legislation this year – the Developing and Empowering Our Aspiring Leaders (DEAL) Act and Expanding American Entrepreneurship Act.^{1 2}

We appreciate the work and consideration to advance the robust capital markets packages Empowering Main Street in America Act (EMSAA) and the House-passed Incentivizing New Ventures and Economic Strength Through Capital Formation (INVEST) Act.^{3 4} Passing these legislative packages would modernize public markets, expand financing options for growing companies, direct investment to more communities, and create additional opportunities for Americans to participate in the innovation economy.

Now, with limited legislative time remaining this year, the Senate must act to enact these two important bipartisan bills. Together, these targeted reforms would remove outdated barriers to capital formation, support emerging fund managers, expand investment in startups and small businesses, and help ensure that promising entrepreneurs across the country can access the financing needed to grow.

¹ *Developing and Empowering Our Aspiring Leaders Act of 2025*, S. 3351, 119th Cong. (2025).
<https://www.congress.gov/119/bills/s3351/BILLS-119s3351is.pdf>.

² *Expanding American Entrepreneurship Act*, S. 2906, 119th Cong. (2025).
<https://www.congress.gov/119/bills/s2906/BILLS-119s2906is.pdf>.

³ *Empowering Main Street in America Act of 2024*, S. 5139, 118th Cong. (2024).
<C:\Users\ehf\AppData\Local\Temp\EHF24904.loc>.

⁴ *Incentivizing New Ventures and Economic Strength Through Capital Formation Act of 2025*, H. R. 3383, 119th Cong. (2025). <https://www.congress.gov/119/bills/hr3383/BILLS-119hr3383rh.pdf>.

Two bipartisan proposals are particularly important to pass this year:

- The **Developing and Empowering Our Aspiring Leaders (DEAL) Act**, sponsored by Senators Mike Rounds and Raphael Warnock, would expand qualifying venture capital investments to include investments in other venture funds and secondary transactions. These reforms would help channel capital to emerging fund managers, underserved regions, and entrepreneurs who have historically faced barriers to financing.
- The **Expanding American Entrepreneurship Act**, sponsored by Chairman Scott and Senators Jerry Moran, Mark Warner, Ruben Gallego, and Angela Alsobrooks, would raise the capital limit for qualifying funds organized under Section 3(c)(1) of the Investment Company Act of 1940 from \$10 million to \$50 million and increase the permitted number of investors from 250 to 500. These changes would allow emerging managers to build sustainable funds, broaden participation among accredited investors, and direct more equity capital to women founders, entrepreneurs of color, and innovators in communities nationwide.

At a time when startups face a challenging fundraising environment and global competition is intensifying, modernizing the nation's capital formation framework cannot wait. Access to early-stage investment determines whether promising ideas become new companies, lifesaving technologies, high-quality jobs, and engines of regional economic growth. Yet outdated rules continue to limit who can raise capital, who can invest, and where investment can reach.

Capital formation is fundamental to American entrepreneurship, innovation, and competitiveness. Delaying action on these bills until a future Congress risks losing a rare bipartisan opportunity to enact meaningful reforms that would benefit startups, investors, workers, and communities throughout the country.

Achieving meaningful bipartisan progress for capital formation is within reach, but delay risks leaving these important reforms unfinished. We urge the Committee and the Senate to seize the remaining legislative window and send both bipartisan bills to the President's desk.

Thank you for your leadership and service. We stand ready to assist the Committee in advancing these important reforms.

Sincerely,
The Innovator Alliance

Angel Capital Association (ACA)
Center for American Entrepreneurship (CAE)
Engine
Financial Technology Association
Mercury
National Venture Capital Association (NVCA)

CC: U.S. Senate Committee on Banking, Housing, and Urban Affairs