

NexGen Capital

Advisors Consultants Investors

Lawrence C. Manson, Jr.
Chairman and Chief Executive Officer

January 11, 2010

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Obama:

I am Chairman and Chief Executive Officer of NexGen Capital Partners, LLC, an African-American led investment management firm based in Chicago, Illinois. We employ less than 20 individuals and our mission is to finance small business by selling securities to financial institutions pursuant to the Community Reinvestment Act (**CRA**). Our capital raising initiatives, totaling \$300 million, will help to create, retain and maintain jobs and stabilize communities throughout our great nation.

As you are keenly aware, people cannot buy homes and communities cannot stabilize if people do not have jobs. The investment vehicle of choice, until CRA is expanded, is the Small Business Investment Company (**SBIC**) which is eligible for consideration pursuant to the CRA investment test. SBICs represent only a small part of the overall CRA investment landscape, which is primarily dominated by housing initiatives. While CRA eligible mortgage investments continue to be less desirable in the current economic climate, financial institutions need other CRA investment alternatives, especially those focused on job creation.

One viable option to improve funding of small business and improve communities is to enable, and perhaps even require, financial institutions to make CRA investments for the specific purpose of job creation, retention and maintenance. Existing CRA requirements already allow for the use of federal funds to create jobs through financing small businesses. Housing and jobs are inextricably intertwined. Without jobs, working Americans cannot qualify to buy homes or keep homes they already own.

As this session of Congress gets underway and the CRA requirements are revisited, it is important to note that we have the delivery system in place to assist American communities in economic recovery, and now must expand the runway. It is imperative that lenders have the appropriate incentives and join other capital markets professionals at the table to create sustainable solutions and buttress community development work that non-profits have spearheaded for so long.

As we saw in 2009, financial institutions pulled back from lending to small business. In addition bank regulators have generally focused on where banks take deposits to define the assessment area for CRA purposes, not where the institutions deploy their services and earn revenue. Any expanded CRA regulation ought to focus on the entire footprint of each financial institution, not just the places where they take deposits.

We look forward to working with your Administration, Capitol Hill and the financial institution industry to continue the discussion and be part of crafting the solution regarding CRA to support small business, create jobs and rebuild America.

Sincerely,

Lawrence C. Manson, Jr.