Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	From Lisa Green to Melissa G Green (1 page)	07/30/1999	P5
002. memo	Memorandum to the President From Gene Sperling (4 pages)	03/29/1999	P5

COLLECTION:

Clinton Presidential Records
Policy Development
Lisa Green
OA/Box Number: 20586

FOLDER TITLE:

[New Markets Legislation] [loose]

2012-0043-S
ms438

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker
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To: See the distribution list at the bottom of this message

cc: See the distribution list at the bottom of this message
Subject: VP/Cong. Hisp. Caucus Follow-up

As you know, the Vice President met with the Congressional Hispanic Caucus on Tuesday, covering a variety of different issues that they raised and promising to follow up on matters on which they sought assistance or a commitment. Some of you attended the meeting and most provided background on these issues for the briefing -- thank you very much for your help in getting those materials together, it was a great help. For those who were not there, this info will give you a briefer on the necessary follow-up, where applicable, but also should provide a sense for the Caucus' issue priorities and positions, especially as they pertain to the appropriations and budget process Congress is sifting through.

The format of the meeting was broken down by four primary issues: education; health; economic development; and Census 2000. Other issues covered were: Puerto Rico/Guam matters; and immigration. The VP gave the Members some clear directives as to who they can expect to take the lead from WH/OVP on the matters discussed. Below is a rundown of the staff contacts for the various pieces discussed. I've noted the general comment by the Member or the request, followed by the VP's comment, commitment, or specific statement where it was notable. For those who attended, please let me know if I missed something or have the wrong person for the task. Also, so I can stay in contact with the Caucus staff and be sure they know of our follow through, it would be helpful to know of your timing on these fronts. For the few tasks that merit meetings with the Members, I will contact you about moving forward with those. Thanks.

I. Education
A. School Modernization (Rep. Loretta Sanchez) -- need WH support for school construction in approps; must be included in final budget/approps agreement. **VP -- will work to support.**

B. E-rate (Rep. Matthew Martinez) -- need continued support for the e-rate; wants WH to veto House passed Teacher Empowerment bill. **VP -- will get that message to POTUS.**

C. Hispanic Education Plan (Rep. Ruben Hinojosa) -- wants WH to support increased funding in budget process for the programs to support the Hispanic drop-out rate. Additionally, Hinojosa indicated that the Caucus would offer its own alternative to the Elementary and Secondary Education Act that specifically includes increased funding for the Hispanic Education Action Plan. Wanted the VP to commit to support funding increase for HEAP in this year's budget. **VP -- promise to fight internally for that funding request.**

II. Health
A. High uninsured rates for Latinos (Rep. Ed Pastor) -- Latinos have significantly high rates of uninsured individuals, esp. children. What is WH doing to address this?? **VP - working on interagency strategy; DoJ announcement re: immigrants and healthcare; CHIP outreach. Personally, I want to work to ensure that all children have access to affordable healthcare.**

B. Health disparities -- HIV/AIDS and Diabetes (Rep. Ciro Rodriguez) -- Significant disparity in Latino community on the incidence of AIDS and diabetes. During Hispanic awareness week in September, there will be an event early in the week focusing on this topic. Will you designate someone from your staff to attend/participate in the session?? **VP - Janet Murguia will follow up with you.**

III. Economic Development
A. Southwest Border Initiative (Rep. Silvestre Reyes) -- Since the May announcement, there has been very little engagement by OVP to get the initiative going. Want to work with office to build on and develop the goals of the announcement. **VP- Alvin Brown will follow up with you. (VP also mentioned he wanted a memo from Alvin.)** I would recommend that we put together a staff level meeting with Rep. Reyes as

part of follow up. Alvin, let me know if you're fine with that and I will work with you and Jonathan Weiss to set that up.

****

B. New Markets Initiative (Rep. Nydia Velazquez) -- Would have like New Markets tour to highlight more Latino communities. She has been asked by WH to introduce legislation for the New Markets package. She has major concerns with the bill because, according to her, over 40% of the benefits are going to areas that are not low-income communities. It needs to reflect more of a focus on communities that need assistance. Want a commitment from WH that the legislation will not move forward unless there is more of a focus on these communities. **VP - will relay that message to POTUS. Can't imagine that we would not satisfy your concerns, because of your expertise as lead Democrat on the Small Business Committee.**
****

C. Financial Restructuring Assistance Program and Runaway Film issue. (Rep. Xavier Becerra) Want the Admin to shift funds over to the Title IX revolving loan program. Mentioned letters from Sen. Feinstein and Boxer to Jack Lew. Please consider the runaway film issue that is affecting film production companies -- important for parity. **VP - will follow up on runaway film production matter. I think parity in film making is important, but I'll need to take a look at it**.

IV. Census 2000
A. Fairness (Rep. Charlie Gonzalez) Want to see you have active participation in Census fight. **VP - my father fought hard for voting rights, you can count on me for anything. I'm eager to participate in Census events.**

B. Fairness, cont'd (Rep. Bob Menendez) Had a great visit to my district to push issue. Arizona lawsuit on redistricting is before the Dept. of Justice. DoJ has 60 days to review case, until August 6. Wants VP to weigh in with DoJ. Also, wants VP to participate in conference call on August 6 on Arizona case (34th anniversary of the passage of the Voting Rights Act). **VP - not sure what I can do with respect to DoJ, not subject to political considerations -- but will check on status. Mrs. Gore will be in Arizona on Aug. 6. Donna Brazile will follow up with Rep. Pastor on Mrs. Gore trip/possible participation.** (No firm commitment to participate in conf. call, but very favorably received).

C. Funding/Approps. (Rep. Jose Serrano) The Senate bill has about $3 billion provided for Census 2000, House Commerce-Justice-State approps bill has $4.5 billion coming out of subcommittee. Need WH to push for the House level of funding for Census. **VP - I will do everything on this matter possible. I can't imagine any request of yours on this issue would be inappropriate.**

V. Other issues
A. Puerto Rico/SSI payments (Rep. Carlos Romero-Barcelo) Need safety net for people in territories with Medicaid/SSI/veterans payments. There is legislation to expand coverage and bring equity to territories. Would like support for this legislation. **VP - I will examine the legislation and get back to you. I want to review the other issues and dynamics of situation.**

B. Immigration (Rep. Luis Guttierez) Gutierrez raised issues focusing on the naturalization backlog, NACARA, and Cuban nationals. (I did my best to follow his points, but wasn't very successful. Janet is up on his Rep. Gutierrez's focus on this front, so I'll defer to her on a more intelligent rundown of the points he offered. Rep. Underwood (Guam) talked about SSI payments for citizens of territories and mentioned that the Northern Mariana Islands are the only territory that receive SSI benefits. **VP pretty much read talking points that were prepared by Irene Bueno.**

C. Colorado River/Uranium pollution (Rep. Grace Napolitano) Would like VP staff to meet with her and others on the situation with the Colorado river and uranium content. **VP - my staff will work with you on this.** (I check in with CEQ and set up a meeting with Rep. Napolitano)

D. Rep. Jose Serrano questions for VP Rep. Serrano gave the VP a letter with some questions on different issues (environmental justice, Vieques, Cuba policy, and Puerto Rico status). I will route the letter for review.

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NMVC
Sen bill

NEW MARKETS VENTURE CAPITAL LEGISLATION

DISCUSSION DRAFT

To amend the Small Business Act and Small Business Investment Act of 1958.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

New Markets Venture Capital Program

Section 101. New Markets Venture Capital Program. Title III -- SMALL BUSINESS INVESTMENT COMPANIES of the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended by:

(1) striking the words "SMALL BUSINESS INVESTMENT COMPANIES" after TITLE III;

(2) inserting in lieu thereof "INVESTMENT DIVISION PROGRAMS";

(3) inserting "PART A – SMALL BUSINESS INVESTMENT COMPANIES" before section 301; and

(4) adding the following at the end of section 320:

"PART B - NEW MARKETS VENTURE CAPITAL PROGRAM

Sec. 350. DEFINITIONS

As used in this part --

(1) the terms "New Markets Venture Capital company" and "NMVC company" mean a company that has been approved by the Administration under section 353(e) to operate under the New Markets Venture Capital Program and that has entered into a

participation agreement with the Administration; and

(2) the term "low- or moderate-income geographies" means-

(A) any population census tract if:

(i) the poverty rate for such tract is at least 20%, or

(ii) (x) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed the greater of 80% of the statewide median family income or 80% of the metropolitan-area median family income or (y) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80% of the statewide median family income, and

(B) any area located within:

(i) a HUBZone (as defined in 13 CFR § 126.103),

(ii) an Urban Empowerment Zone or Urban Enterprise Community (as designated by the Secretary of the Department of Housing and Urban Development), or

(iii) a Rural Empowerment Zone or Rural Enterprise Community (as designated by the Secretary of the Department of Agriculture).

In the case of an area which is not tracted for population census tracts, the equivalent county division as defined by the Bureau of the Census for purposes of defining poverty areas shall be used for purposes of determining poverty rate and median family income.

(3) the term "participation agreement" means an agreement between the Administration and a New Markets Venture Capital company, detailing the company's

operating plan and investment criteria and requiring that at least 80% of the company's investments be made in smaller enterprises which are located in those low- or moderate-income geographies defined in paragraph 2(A) of this section.

(4) the term "developmental venture capital" means capital invested in businesses, with a primary objective of fostering economic development in low- or moderate-income geographies.

Sec. 351. PURPOSES

The purposes of the New Markets Venture Capital Program are --

(1) to promote economic development and the creation of wealth and job opportunities in low- or moderate-income geographies and among individuals living in such geographies by encouraging developmental venture capital investments in smaller enterprises primarily located within low- or moderate-income geographies; and

(2) to establish a developmental venture capital program to be administered by the Small Business Administration --

(A) to enter into a participation agreement with each NMVC company,

(B) to guarantee debentures of each NMVC company to enable each such company to make developmental venture capital investments in smaller enterprises within low- or moderate-income geographies, and

(C) to make grants to each NMVC company for the purpose of providing marketing, management or other operational assistance to smaller enterprises financed, or expected to be financed, by such company.

Sec. 352. PROGRAM ESTABLISHMENT

There is established a New Markets Venture Capital Program, under which the Administration may --

(1) enter into a participation agreement with each NMVC company for the purposes stated in section 351;

(2) guarantee debentures issued by each NMVC company as provided in section 354; and

(3) make grants to each NMVC company as provided in section 355.

Sec. 353. SELECTION OF NMVC COMPANIES

(a) ELIGIBILITY TO APPLY. --A company shall be eligible to apply to participate in the New Markets Venture Capital Program if it --

(1) is a newly formed for-profit entity, which may be a newly formed for-profit subsidiary of an existing entity;

(2) has a management team with experience in community development financing or relevant venture capital financing; in local [illegible]

(3) has economic development as one of its primary objectives; and

(4) files its application within a time period established by the Administration.

(b) APPLICATIONS. --As part of its application for participation in the New Markets Venture Capital Program, each applicant shall provide the Administration with --

(1) a business plan that describes how the applicant will make successful developmental venture capital investments in low- or moderate-income geographies within identified geographic areas;

(2) the community development finance or relevant venture capital qualifications and general reputation of the company's management;

(3) a description of how the applicant will interface with community organizations; — a description of how the applicant will seek to serve difficult to finance businesses

(4) a proposal describing how grant funds provided under this part would provide marketing, management or other operational assistance to smaller enterprises expected to be financed by the company;

(5) measurement criteria by which to evaluate the company's performance in meeting program objectives;

(6) the management and financial strength of any parent or affiliated firms, or any firms essential to the success of the NMVC company's business plan; and

(7) such other information as the Administration may request.

(c) SELECTION CRITERIA FOR CONDITIONAL APPROVAL. -- The Administration shall review the applications and shall select companies to be conditionally approved to operate under the New Markets Venture Capital Program. The selection shall be based upon the merits of the application and each company's proposed geographic area of investment so as to promote investment nationwide. The selection criteria shall include:

(1) the likelihood that the applicant will meet the goals of its business plan;

(2) the experience and background of the company's management team;

(3) the need for developmental venture capital investments within the investment areas;

(4) the extent to which the applicant will concentrate its activities on serving its investment areas;

(5) the likelihood that the applicant will be able to satisfy the conditions under subsection (d);

(6) the extent to which the proposed activities will expand economic opportunities within the investment areas; and

(7) other factors deemed appropriate by the Administration.

(d) CONDITIONAL APPROVAL.—The Administration shall give each conditionally approved company a period of time, not to exceed 24 months, to satisfy the following two conditions --

(1) Capital Requirement. Each company must raise at least $5 million of contributed capital or binding capital commitments from one or more investors (other than an agency of the Federal government) which meet criteria established by the Administration; and

(2) Operational Assistance Matching Requirement.

(A) In order to provide marketing, management or other operational assistance to the smaller enterprises expected to be financed by the company, each company:

(i) must have binding commitments (for contribution in cash or in-kind) from any source(s) other than the Administration which meet criteria established by the Administration, payable or available over a multi-year period acceptable to the Administration (not to exceed 10 years), in an amount equal to 30% of the capital and commitments raised under subsection (d)(1); or

(ii) must have purchased an annuity from an insurance company acceptable to the Administration, using funds (other than the funds raised to satisfy subsection (d)(1)) from any source other than the Administration, which would yield cash payments over a multi-year period acceptable to the Administration (not to exceed 10 years), in an amount equal to 30% of the capital and commitments raised under subsection (d)(1); or

(iii) must have binding commitments (for contribution in cash or in-kind) of the type described in subsection (d)(2)(A)(i) and must have purchased an annuity of the type described in subsection (d)(2)(A)(ii), which in the aggregate make available, over a multi-year period acceptable to the Administration (not to exceed 10 years), an amount equal to 30% of the capital and commitments raised under subsection (d)(1); or

(B) In the discretion of the Administrator and based upon a showing of special circumstances and good cause, the Administrator may consider an applicant to have satisfied the requirements of this subsection (d)(2) if it has a viable plan that reasonably projects its capacity to raise the amount (in cash or in-kind) required under subsection (d)(2)(A).

(e) APPROVAL TO OPERATE AS AN NMVC COMPANY. -- The Administration shall grant final approval to operate as an NMVC company to any company selected under subsection (c) that --

(1) has satisfied the conditions under subsection (d); and

(2) has entered into a participation agreement with the Administration.

Sec. 354. DEBENTURES

The Administration is authorized, when authorized in appropriations Acts, to guarantee the timely payment of principal and interest as scheduled on debentures issued by NMVC companies. Such guarantees may be made by the Administration on such terms and conditions as it deems appropriate. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this part. Such debentures may be issued for a term of not to exceed fifteen years and shall bear interest at a rate approved by the Administration. The total face amount of guaranteed debentures that may be outstanding at any one time shall not exceed 150 percent of the contributed capital of the NMVC company, as determined by the Administration. Contributed capital shall include capital that is deemed to be Federal funds contributed by an investor other than an agency of the Federal government. The debentures shall also contain such other terms as the Administration may require.

Sec. 355. OPERATIONAL ASSISTANCE GRANTS

(a) GRANTS. -- The Administration is authorized to make grants to each NMVC company subject to the following:

(1) IN GENERAL. --Each NMVC company shall be eligible to receive grants to be paid upon the direction of the Administration over a multi-year period not to exceed 10 years, containing such terms as the Administration may require, to provide marketing, management or other operational assistance to smaller enterprises financed, or expected to be financed, by the NMVC company.

(2) GRANT AMOUNT. --The amount of the grant(s) provided by the Administration to each NMVC company under this subsection (a) shall be equal to the NMVC company's matching contribution (in cash or in-kind) under section 353(d)(2) unless the Administration determines, in the best interests of the program, that the grant(s) should be paid despite the NMVC company's inability to provide the matching contribution.

(3) PRO RATA REDUCTIONS. – If the amount made available to carry out this section is insufficient for the Administration to provide grants in the amounts required under subsection (a)(2), the Administration shall make pro rata reductions in the amounts otherwise payable to each NMVC company under such subsection.

(b) SUPPLEMENTAL GRANTS. – The Administration is authorized to provide supplemental grants to any NMVC company, containing such terms as the Administration may require, to provide additional marketing, management or other operational assistance to smaller enterprises financed, or expected to be financed, by the NMVC company. The Administration may require, as a condition of any supplemental grant made under this subsection (b), that the NMVC company provide a matching contribution (in cash or in-kind) from sources other than the Administration equal to the amount of the supplemental grant.

Sec. 356. ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES

(a) The Administration is authorized to issue trust certificates representing ownership of all or a fractional part of debentures issued by NMVC companies and guaranteed by the Administration under this Act: Provided, That such trust certificates shall be based on and backed by a trust or pool approved by the Administration and composed solely of guaranteed debentures.

(b) The Administration is authorized, upon such terms and conditions as are deemed appropriate, to guarantee the timely payment of the principal of and interest on trust certificates issued by the Administration or its agent for purposes of this section. Such guarantee shall be limited to the extent of principal and interest on the guaranteed debentures which compose the trust or pool. In the event that a debenture in such trust or pool is prepaid, or in the event of default of a debenture, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest such prepaid debenture represents in the trust or pool. Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Administration only through the date of payment of the guarantee. During the term of the trust certificate, it may be called for redemption due to prepayment or default of all debentures.

(c) The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee of such trust certificates issued by the Administration or its agent pursuant to this section.

(d) The Administration shall not collect a fee for any guarantee of a trust certificate under this section: Provided, That nothing herein shall preclude any agent of the Administration from collecting a fee approved by the Administration for the functions described in subsection (f)(2) of this section.

(e) (1) In the event the Administration pays a claim under a guarantee issued under this section, it shall be subrogated fully to the rights satisfied by such payment.

(2) No State or local law, and no Federal law, shall preclude or limit the exercise by the Administration of its ownership rights in the debentures residing in a trust or pool against which trust certificates are issued.

(f) (1) The Administration may provide for a central registration of all trust certificates sold pursuant to this section.

(2) The Administrator may contract with an agent or agents to carry out on behalf of the Administration the pooling and the central registration functions of this section including, notwithstanding any other provision of law, maintenance on behalf of and under the direction of the Administration, such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate trusts or pools backed by debentures guaranteed under this Act, and the issuance of trust certificates to facilitate such poolings. Such agent or agents shall provide a fidelity bond or insurance in such amounts as the Administration determines to be necessary to fully

protect the interests of the Government.

(3) The Administrator is authorized to regulate brokers and dealers in trust certificates sold pursuant to this section.

(4) Nothing in this subsection shall prohibit the use of a book-entry or other electronic form of registration for trust certificates.

Sec. 357. FEES

Except as provided under section 356(d), the Administration may charge such fees as it deems appropriate with respect to any guarantee or grant issued under this part.

Sec. 358. BANK PARTICIPATION

Any national bank, or any member bank of the Federal Reserve System or nonmember insured bank to the extent permitted under applicable State law, may invest in any 1 or more NMVC companies, or in any entity established to invest solely in NMVC companies, except that in no event shall the total amount of such investments of any such bank exceed 5 percent of the capital and surplus of the bank.

Sec. 359. FEDERAL FINANCING BANK

Section 318 does not apply to any debenture issued under this part by an NMVC company.

Sec. 360. REPORTING REQUIREMENTS

Each NMVC company shall provide such information as the Administration may request, including reporting on the measurement criteria that the NMVC company proposed in its program application.

Sec. 361. EXAMINATIONS

Each NMVC company shall be subject to examinations made at the direction of the Investment Division of the Administration, which may be conducted with the assistance of a private sector entity that has both the qualifications to conduct and the expertise in conducting such examinations. The cost of such examinations, including the compensation of the examiners, may in the discretion of the Administration be assessed against the company examined and when so assessed shall be paid by such company. Fees collected under this section shall be deposited in the account for salaries and expenses of the Administration and are authorized to be appropriated solely to cover the costs of examinations and other program oversight activities.

Sec. 362. INJUNCTIONS AND OTHER ORDERS

(a) Whenever, in the judgment of the Administration, an NMVC company or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or of any rule or regulation under this Act, or of any order issued under this Act, the Administration may make application to the proper district court of the United States or a United States court of any place subject to the jurisdiction of the United States for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, rule, regulation, or order, and such courts shall have jurisdiction of such actions and, upon a showing by the Administration that such NMVC company or other person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

(b) In any such proceeding the court as a court of equity may, to such extent as it deems necessary, take exclusive jurisdiction of the NMVC company and the assets thereof, wherever located; and the court shall have jurisdiction in any such proceeding to appoint a trustee or receiver to hold or administer under the direction of the court the assets so possessed.

(c) The Administration shall have authority to act as trustee or receiver of the NMVC company. Upon request by the Administration, the court may appoint the Administration to act in such capacity unless the court deems such appointment inequitable or otherwise inappropriate by reason of the special circumstances involved.

Sec. 363. UNLAWFUL ACTS AND OMISSIONS BY OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS; BREACH OF FIDUCIARY DUTY

(a) Whenever an NMVC company violates any provision of this Act or regulation issued thereunder by reason of its failure to comply with the terms thereof or by reason of its engaging in any act or practice which constitutes or will constitute a violation thereof, such violation shall be deemed to be also a violation and an unlawful act on the part of any person who, directly or indirectly, authorizes, orders, participates in, or causes, brings about, counsels, aids, or abets in the commission of any acts, practices, or transactions which constitute or will constitute, in whole or in part, such violation.

(b) It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct or the affairs of an NMVC company to engage in any act or practice, or to omit any act, in breach of his fiduciary duty as such officer, director, employee, agent, or participant, if, as a result thereof, the NMVC company has suffered or is in imminent danger of suffering financial loss or other damage.

(c) Except with the written consent of the Administration, it shall be unlawful –

(1) for any person hereafter to take office as an officer, director, or employee of an NMVC company, or to become an agent or participant in the conduct of the affairs or management of an NMVC company, if –

(A) he has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust, or

(B) he has been found civilly liable in damages, or has been permanently or temporarily enjoined by order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust; or

(2) for any person to continue to serve in any of the above-described capacities, if –

(A) he is hereafter convicted of a felony, or any other criminal offense involving dishonesty or breach of trust, or

(B) he is hereafter found civilly liable in damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust.

(d) The Administration may serve upon any person identified in this section a written notice of its intention to remove him from office whenever, in the opinion of the Administration, such person –

(1) has willfully and knowingly committed any substantial violation of-

(A) this Act,

(B) any regulation issued under this Act, or

(C) a cease-and-desist order which has become final, or

(2) has willfully and knowingly committed or engaged in any act, omission, or practice which constitutes a substantial breach of his fiduciary duty, and that such violation or such breach of fiduciary duty is one involving personal dishonesty on the part of such person.

(e) The Administration may remove or suspend any person upon whom the Administration has served a notice under subsection (d) by following the procedures set forth in section 313 of this Act.

Sec. 364. MISCELLANEOUS

The Administration is authorized to issue such regulations as it deems necessary to carry out the provisions of this part in accordance with its purposes.

Sec. 365. AUTHORIZATIONS

The Administration is hereby authorized to be appropriated such subsidy budget authority as may be necessary to guarantee up to $100 million of debentures, and up to $30 million to make grants, for the purposes pursuant to this part, to remain available until expended. This authority shall be in effect for the period commencing with fiscal year 2000 through fiscal year 2005."

Section 102. Conforming Amendment to Small Business Act.

Section 20(e)(1)(C) of the Small Business Act (15 U.S.C. 631 note) is amended by inserting the words "part A of" before "title III".

Section 103. Bankruptcy Exemption for New Markets Venture Capital Companies.

Section 109(b)(2) of title 11, United States Code, is amended by inserting after "homestead association," the following: "a New Markets Venture Capital company as defined in section 350 of the Small Business Investment Act of 1958,".

Section 104. Federal Savings Associations.

Section 1464 (c) (4) of title 12, United States Code, is amended by adding at the end thereof the following: "(F) New Markets Venture Capital companies. A Federal savings association may invest in stock, obligations, or other securities of any New Markets Venture Capital company as defined in section 350 of the Small Business Investment Act of 1958. A Federal savings association may not make any investment under this subparagraph if its aggregate outstanding investment under this subparagraph would exceed 5 percent of the capital and surplus of such savings association."

SBIC 1998 EQUITY AND NEAR-EQUITY INVESTMENTS OF $1 MM AND LESS IN LOW AND MODERATE ZONES

Total capital invested equaled $58,955,856, including approximately $3MM invested by Developmental SBICs.

This is 1.84% of total SBIC investments made during 1998.

Four state, CA, TX, NY and MA, accounted for 55% of the $59 million.

California alone accounted for 28% of the $59 million, with Silicone Valley accounting for 81% of that total.

35 states received a total of $1 MM or less in financing.

28 states received a total of $500 K or less in financing.

20 states received no capital at all.

Only 2 investments were in rural areas. These investments totaled $1.1MM , 1.9% of the total capital invested.

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. memo	Memorandum to the President From Gene Sperling (4 pages)	03/29/1999	P5

COLLECTION:

Clinton Presidential Records
Policy Development
Lisa Green
OA/Box Number: 20586

FOLDER TITLE:

[New Markets Legislation] [loose]

2012-0043-S
ms438

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

SBIC 1998 EQUITY AND NEAR-EQUITY INVESTMENTS OF $1 MM AND LESS

(IN LOW AND MODERATE INCOME ZONES)

1	CA	$ 16,692,152
2	TX	$ 6,240,714
3	NY	$ 4,685,472
4	MA	$ 4,623,350
5	FL	$ 2,785,327
6	OH	$ 2,741,335
7	KS	$ 2,296,370
8	MD	$ 2,220,000
9	PA	$ 1,950,000
10	TN	$ 1,519,045
11	HI	$ 1,411,111
12	MO	$ 1,200,001
13	LA	$ 1,200,000
14	KY	$ 1,100,000
15	UT	$ 1,030,858
16	NH	$ 1,000,000
17	NJ	$ 850,000
18	VA	$ 800,000
19	AZ	$ 780,880
20	ND	$ 751,040
21	CO	$ 573,448
22	NC	$ 519,499
23	MN	$ 500,000
24	OK	$ 460,001
25	CT	$ 400,000
26	AL	$ 300,000
27	IL	$ 176,220
28	DC	$ 100,000
29	OR	$ 49,032
30	WA	1
	TOTAL	**$ 58,955,856**
	TOTAL OF TOP FOUR STATES	

28.31%			
10.59%			
7.95%			
7.84%			
4.72%			
4.65%			
3.90%			
3.77%			
3.31%			
2.58%			
2.39%			
2.04%			
2.04%			
1.87%			
1.75%			
1.70%			
1.44%			
1.36%			
1.32%			
1.27%			
0.97%			
0.88%			
0.85%			
0.78%			
0.68%			
0.51%			
0.30%			
0.17%			
0.08%			
0.00%			
100.00%			
54.69%			

[illegible]