

October 4, 2012

**VIA EDGAR**

Mary A. Cole, Senior Counsel  
Sheila Stout, Senior Staff Accountant  
Division of Investment Management  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

RE: KCAP Financial, Inc. – Registration Statement on Form N-2 (File No. 333-183032)

Dear Ms. Cole and Ms. Stout:

In accordance with Rule 461 of the General Rules and Regulations under the Securities Act of 1933, as amended, KCAP Financial, Inc. hereby respectfully requests that the above-captioned registration statement, including all amendments thereto, be ordered effective on October 4, 2012, at 3:30 p.m., or as soon thereafter as practicable.

**KCAP Financial, Inc.**

By: /s/ Edward U. Gilpin  
Edward U. Gilpin  
Chief Financial Officer

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