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COIN CDFI Certification Evaluation Criteria

COIN CDFI Certification Evaluation Criteria

- (a) COIN will evaluate applications for certification, and, on the basis of evidence satisfactory to COIN, issue certification to applicants complying with the following criteria:
- (1) The certification criteria; and
 - (2) The applicant shall demonstrate by relevant evidence that it has financial solvency, adequate capitalization, management capability, liquidity, assets, and earnings to effectively promote statutory program goals and administer investment proceeds using sound financial management practices.
- (b) COIN may request additional information or documents during the application review process, and applicants shall respond completely within the time stated in the request.
- (c) Standard duration; information updates
- (1) Certification is valid for the lesser of:
 - (A) Three years from the date of issuance, or
 - (B) The period terminating as described in either of subdivisions (c)(1)(B)1 or (c)(1)(B)2 of this section; if both subdivisions apply, whichever period terminates earlier.
 1. Until the final filing date of a recertification period.
 2. Thirty calendar days after the effective date of any purchase, sale, merger, or change in control of a certified CDFI; if a certified CDFI subject to this section timely files a new application prior to expiration of the 30 day period, its existing certification shall remain valid during review of the new application.
 - (2) Certified CDFIs shall file current, updated versions of all information and documents listed in subdivisions (c)(2)(A) through (c)(2)(G) of this section no less than 12 months and no more than 15 months after the effective date of certification, and each certification anniversary thereafter, unless COIN grants an extension for good cause. COIN will provide certified CDFIs with written reminders of this requirement at least 30 days before CDFIs shall submit the updated materials required by this subdivision. Failure by COIN to provide the notice or a CDFI to receive it does not relieve the CDFI of its obligations under this subdivision.
 - (A) Cover letter.
 - (B) Mission statement.
 - (C) Organizational chart.
 - (D) Board of Directors membership list.
 - (E) Annual report.
 - (F) Audited financial statements for the most recently concluded year, if available.
 - (G) Unaudited financial statements for the most recent quarter.

- (d) Certification is subject to, and may be revoked for non-compliance with, the conditions in subdivisions (d)(1) through (d)(5) of this section:
- (1) Certified CDFIs shall not engage in any conduct, or be subject to any actions or proceedings listed in subdivisions (g) or (h) of this section.
 - (2) Certified CDFIs shall file the information and documents listed in subdivision (c)(2) of this section.
 - (3) A certified CDFI shall remain certified for at least five years from the date of the last tax credit certificate for any qualified investment received by the CDFI.
 - (4) Certified CDFIs which receive qualified investments shall submit reports pursuant to Insurance Code Section 12939.1, and any notices issued thereunder.
 - (5) Such conditions as COIN may reasonably impose upon certification to ensure continuing compliance.
- (e) If COIN becomes aware that a certified CDFI has not complied with a condition of its certification listed in subdivision (d) of this section, or that grounds exist to suspend or revoke a certification pursuant to subdivision (g), or subdivision (h) of this section, COIN may, in lieu of suspending or revoking certification, notify the certified CDFI of the non-compliance and allow a specified time from the date of the notice for the certified CDFI to become compliant or remediate the conduct giving rise to the grounds.
- (f) If a certified CDFI fails to timely comply with a notice of non-compliance issued pursuant to subdivision (e) of this section, COIN may revoke certification.
- (g) COIN may deny an application for certification, or suspend or revoke certification on any of the grounds recited in Insurance Code Section 1668. For purposes of this subdivision, applicant includes any person who is a "controlling person" of the applicant as that term is defined in Insurance Code Section 1668.5(b).
- (h) COIN may deny an application for certification, or suspend or revoke certification if an applicant, or a certified CDFI, is subject to, or performs any of the acts described in subdivisions (h)(1) through (h)(6) of this section:
- (1) Declares bankruptcy, is placed in receivership or conservatorship, or is otherwise subject to insolvency proceedings.
 - (2) Violates the terms or requirements of the COIN program.
 - (3) Engages in material misrepresentation regarding the COIN program.
 - (4) Pre-pays, without prior written consent of the COIN CDFI tax credit recipient, any qualified investment upon which a tax credit has been allocated.
 - (5) Uses qualified investment funds in a manner that materially deviates from what was approved in the application, including non-use of funds.
 - (6) Submits to COIN any documents, information, or communications containing material misrepresentations.