

DEPARTMENT OF INSURANCE

CALIFORNIA ORGANIZED INVESTMENT NETWORK (COIN)

300 CAPITOL MALL, SUITE 1600

SACRAMENTO, CA 95814

(916) 492-3525

(916) 323-1944 (FAX)

www.insurance.ca.gov/coin

**COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONAL (CDFI)
CERTIFICATION GUIDELINES**

The CDFI Tax Credit Program attracts and leverages private capital to fund investments that yield economic and social benefits for California's underserved markets, as well as investments that yield environmental benefits. Established in 1997, the CDFI Tax Credit Program is administered by COIN for the purpose of increasing the amount of private capital available to CDFIs for community development. COIN allocates a state tax credit of 20% on qualified investments of \$50,000 or more. Every \$1 of tax credit yields \$5 of private investment, with the total tax credit allocation of \$2 million generating up to \$10 million of private investment in COIN-Certified CDFIs.

CDFIs are mission-driven community organizations, separate from government control, dedicated to providing financial products and services to low-income communities underserved by traditional financial markets. By increasing access to capital and financial services, CDFIs provide funds that might not otherwise be available for job creation, energy efficiency, affordable housing and other programs that may stimulate economic recovery.

COIN CDFI CERTIFICATION PROCESS

COIN certification, at a minimum, requires that a CDFI:

- 1) is a private financial institution; and
- 2) is located in California; and
- 3) has community development as its primary mission; and
- 4) lends or invests in urban, rural, or reservation-based communities within California.

COIN evaluates CDFI applications on an ongoing basis. During the initial certification, the following documents are required for the COIN evaluation process:

- 1) Cover letter clearly stating how the applicant meets each of the four minimum requirements.
- 2) Mission Statement
- 3) Articles of Incorporation and Bylaws
- 4) Organizational Chart
- 5) List of Board of Directors
- 6) List of Key Staff
- 7) Annual Report
- 8) Audited Financial Statements for the preceding three years
- 9) Marketing materials
- 10) California Statement of Domestic Nonprofit Corporation (if applicable)
- 11) IRS 501 (c) (3) or (4) Determination Letter (if applicable)
- 12) Department of Treasury CDFI certification letter (if applicable)
- 13) Department of Treasury CDE certification letter (if applicable)
- 14) Regulatory Charter (for regulated financial institutions)
- 15) Bank or Credit Union Rating by regulator
- 16) Other documents as requested

Certification will be renewed annually pending a satisfactory review by COIN. The following documents are required for COIN's annual CDFI recertification process.

- 1) Cover letter clearly stating how the applicant meets each of the four minimum requirements.
- 2) Mission Statement
- 3) Organizational Chart

(continued)

**Community Development Financial Institution (CDFI)
Certification Guidelines**

- 4) List of Board of Directors
- 5) Annual Report
- 6) Audited Financial Statements for the preceding three years

Recertification will occur triennially pending prior satisfactory annual reviews by COIN. The following documents are required for the triennial COIN evaluation process:

- 1) Cover letter clearly stating how the applicant meets each of the four requirements listed.
- 2) Mission Statement
- 3) Articles of Incorporation and Bylaws
- 4) Organizational Chart
- 5) List of Board of Directors
- 6) List of Key Staff
- 7) Annual Report
- 8) Audited Financial Statements for the preceding three years
- 9) Marketing materials
- 10) California Statement of Domestic Nonprofit Corporation (if applicable)
- 11) IRS 501(c)(3) or (4) Determination Letter (if applicable)
- 12) Department of Treasury CDFI Certification Letter (if applicable)
- 13) Department of Treasury CDE Certification Letter (if applicable)
- 14) Regulatory Charter (for regulated financial institutions)
- 15) Bank or Credit Union Rating by regulator
- 16) Other documents as requested

NOTE:

It is the intent of COIN to maintain the confidentiality of the application materials to the extent allowed by law.

Certification of a CDFI may be issued for a specified period of time, and may include conditions to effectuate the legislative intent. The Insurance Commissioner may suspend or revoke a certification, after affording the institution notice and the opportunity to be heard, if the Commissioner finds that an institution no longer meets the requirement for certification. Statutory authority for the COIN CDFI Tax Credit Program exists in California Revenue and Taxation Code (R&TC) Section(s) 17053.57, 23657, and 12209.

COIN certification does not constitute an opinion by the COIN as to the overall effectiveness or financial viability of the CDFI.

**Community Development Financial Institutions
Application for Certification**

ORGANIZATION CONTACT AND BACKGROUND INFORMATION		
Name of Organization:	Address (Street, City, State, Zip):	
Contact Person:	Title:	Phone:
		Fax:
		Email:
Stated Mission of Organization:		
Geographic Service Area:		
Organization Background:		
Legal Status (i.e. sole proprietorship, Partnership, corp, etc):	Tax ID:	<input type="checkbox"/> Profit <input type="checkbox"/> Nonprofit
Is your organization a certified Community Development Financial Institution (CDFI) with the US Treasury? (If yes, please provide a copy of the Treasury Certification Letter.) Yes <input type="checkbox"/> No <input type="checkbox"/>	Is your organization a certified Community Development Entity (CDE) under the federal New Markets Tax Credit program? (If yes, please provide a copy of the Treasury Certification Letter.) Yes <input type="checkbox"/> No <input type="checkbox"/>	

CALIFORNIA CDFI CERTIFICATION Revenue & Taxation Code, Sections 12209(g)(1), 17053.57(f)(1), and 23657(f)(1)		
1. Is your organization a private financial institution located in California?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Is your organization's primary mission community development?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Does your organization lend to urban, rural, or reservation based communities?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

DOCUMENTS CHECKLIST	
<input type="checkbox"/> Cover Letter <input type="checkbox"/> Mission Statement <input type="checkbox"/> Articles of Incorporation and bylaws <input type="checkbox"/> Organizational Chart and Narrative <input type="checkbox"/> List of Board of Directors and Personal Histories <input type="checkbox"/> List of Key Staff and Personal Histories <input type="checkbox"/> Annual Report <input type="checkbox"/> Audited Financial Statements, last three years	<input type="checkbox"/> Marketing Materials <input type="checkbox"/> California Statement by Domestic Nonprofit Corporation <input type="checkbox"/> IRS 501(c)(3) Determination Letter <input type="checkbox"/> Department of Treasury CDFI/CDE Certification Letter(s) <input type="checkbox"/> Regulatory Charter (for regulated financial institutions) <input type="checkbox"/> Bank or Credit Union Rating by Regulator <input type="checkbox"/> Other Documents as Requested