



**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK**

**CRITERIA, PRIORITIES, AND GUIDELINES**

**FOR FINANCING UNDER**

**THE EXPANDING VENTURE CAPITAL ACCESS PROGRAM**

Date Effective: October 11, 2023

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**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK  
(IBank)**

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THE EXPANDING VENTURE CAPITAL ACCESS PROGRAM**

Date Adopted: October 11, 2023

**I. BACKGROUND**

**A. Introduction**

The Expanding Venture Capital Access Program (“Venture Program”) is a program of the California Infrastructure and Economic Development Bank.

The Venture Program will improve access to venture capital for underrepresented fund managers, entrepreneurs, and regions of California, as well as invest in climate equity solutions.

The inaugural source of funding for the Venture Program is the State Small Business Credit Initiative (SSBCI) authorized by the American Rescue Plan Act of 2021. Periodically, the U. S. Department of the Treasury may amend its requirements for the SSBCI 2.0 program. As such, IBank will periodically review and update these program guidelines to maintain consistency with federal guidelines and relevancy within the California marketplace. The Venture Program is further funded by IBank funds (“State Supplement”) to enable activities that may be constrained by SSBCI requirements. The Venture Program may later seek additional sources of funding.

The following criteria and processes are applicable across all investment circumstances of the Venture Program. Periodically, the U.S. Department of the Treasury may amend its requirements for the SSBCI 2.0 program. As such, IBank will periodically review and update these program guidelines to maintain consistency with federal guidelines and relevancy within the California marketplace.

**B. Definitions**

For purposes of these Criteria, the capitalized terms have the following meaning:

“Co-Investment” means a minority investment in a company made alongside a private equity fund manager or venture capital firm.

“Deputy Director of Venture Capital” means an employee of IBank who is tasked with managing the administration and operations of the Venture Program acting under the guidance and authority of IBank’s Executive Director.

“External Consultant” means a service provider to IBank that identifies, researches, and/or recommends venture capital fund and co-investment opportunities but does not make investment decisions, nor execute investments. May also be referred to as a “Non-discretionary advisor”.

“Emerging manager” means a venture capital fund manager raising their first fund with institutional capital.

“External Program Administrator” means a service provider to IBank that identifies, researches, makes investment decisions, and manages an investment portfolio for the Venture Program. May also be referred to as a “Discretionary manager or advisor”.

“IBank Act” means the Bergeson-Peace Infrastructure and Economic Development Bank Act, as set forth in the California Government Code, Sections 63000 to 63089.99, inclusive, as may be amended from time to time.

“Investee” means the small business that is the end recipient of SSBCI funds, whether through a venture capital fund or a direct investment.

“Investment” means hybrid debt as described in 8(a).

“Investment Committee” is as described in Section II. B.

“Loan” is as described in Section III. A.

“SEDI-owned businesses” means enterprises owned by socially and economically disadvantaged individuals as described in Section IV.a of the SSBCI 2.0 Guidelines.

A “Special Purpose Entity” or “Special Purpose Vehicle” (SPV) is a separate legal entity created by an organization or by IBank. The SPV is a distinct company with its own assets and liabilities, as well as its own legal status. Usually, they are created for a specific objective, often to isolate financial risk.

“SSBCI 1.0” means the State Small Business Credit Initiative as established and enacted by the Small Business Jobs Act of 2010.

“SSBCI 2.0” means the State Small Business Credit Initiative as re-authorized and enacted by the American Rescue Plan Act of 2021.

“SSBCI 2.0 Guidelines” means the U.S. Department of the Treasury’s State Small Business Credit Initiative Capital Program Policy Guidelines, as amended from time to time.

“State Supplement” means IBank funds separate from SSBCI funds that may be used to enable activities that are restricted by SSBCI requirements.

“Underrepresented Manager” means a venture capital fund manager (i) from a demographic category who currently or has historically experienced relatively limited access to resources, such as investment capital, technical assistance, mentorship, financial services, community engagement, and investment, or (ii) whose investment strategy focuses on SEDI-owned businesses. This historic deficit will be demonstrated by reference to third party data that shows limited access to resources.

“US Treasury” means the United States Department of the Treasury, that operates and administers the SSBCI 2.0 program.

“Venture capital fund” means an entity that makes equity or equity-like investments in high growth early-stage businesses. These are typically high-risk investments, with no recourse and few assets.

“Venture Program” means IBank’s Expanding Venture Capital Access Program.

“Venture Program Criteria” means the criteria, priorities and guidelines, set forth in this document, as may be amended by the IBank Board of Director (“Board”) from time to time.

“Venture Specialist” means a Career Executive Assignment-level employee of IBank who is tasked with managing the administration and operations of the Venture Program acting under the guidance of the Deputy Director of Venture Capital.

### C. SSBCI 1.0 and SSBCI 2.0

SSBCI was originally created through federal legislation, the Small Business Jobs Act of 2010. In 2010, SSBCI 1.0 was funded with \$1.5 billion to strengthen state programs that support financing of small businesses. California received \$168 million of the \$1.5 billion. IBank and the California Pollution Control Financing Authority (CPCFA) – an agency housed within the State Treasurer’s Office (STO) – split the funding equally. The allocation was utilized to assist small businesses gain access to capital and create jobs in California. More than 10,000 eligible small businesses in California received SSBCI 1.0 fund support, which created or saved more than 90,000 jobs.

The American Rescue Plan Act of 2021 included \$10 billion for the reauthorization of the State Small Business Credit Initiative. With the authorization of SSBCI 2.0, IBank will use approximately \$200 million of California’s allocation to establish the Venture Program. The Venture Program will be operated pursuant to guidelines and requirements as set forth by US Treasury for operation of state venture capital programs. In addition, IBank received authority in the IBank Act Section 63089.99 to operate a venture capital program.

Venture capital generally is the practice of investing in early-stage, high-growth companies, also known as startups. Startups generally have greater risk than more

established companies, as they may not yet have established and steady revenues. Startups seek to grow revenues by developing their product and exploring the optimal customers and business models for their product or service. Seeking returns to compensate for risk, startup investors often expect a 20-30% gross internal rate of return.

Venture capital funds seek to manage and balance this risk in two principal ways. First by balancing risk across a portfolio of investments invested carefully and often across different industries, geographical areas, or investment stage. Venture capital funds usually invest in a minimum of 10 startups with the expectation that many of the investments will fail, but a few will generate outsized returns to compensate. Second, fund managers use detailed analysis based on their investment skill and market expertise to identify the startups most likely to succeed and provide strong investment returns. Based on past performance, there is evidence that venture capital managers that were successful with a prior fund are more likely to be successful with their current one.

#### D. Authority

The IBank Act, Article 12 (commencing with Section 63089.99) authorizes and establishes a venture capital program within IBank, requires that it be administered and operated pursuant to directives and requirements developed and approved by the Board, and provides specific authority for IBank to offer financial assistance to eligible funds and portfolio companies under the Venture Program.

The initial funding for the Venture Program comes from US Treasury through SSBCI 2.0. The Venture Program, including all involved participants, must meet the reporting and other requirements mandated by US Treasury for the SSBCI 2.0 program.

In addition, IBank has allocated up to \$50 million from its Small Business Expansion Fund to create a State Supplement for the purpose of enabling activities that may be constrained by SSBCI requirements.

The Deputy Director of Venture Capital is authorized to undertake the following for the Venture Program under the guidance and authority of IBank's Executive Director:

1. Hire, train and manage any employees who work for the Venture Program.
2. Enter into agreements with service providers, such as attorneys, fund administrators, External Consultants, External Program Administrators, and auditors.
3. Select, manage, and monitor the Venture Program portfolio that are funded pursuant to these Venture Program Criteria.
4. Open bank accounts and manage cash draws and deposits.

5. Chair an internal investment committee, convene meetings, choose alternates, and make tie-breaker vote.
6. Serve on any external investment committee, or advisory board, as the Venture Program's representative, as required.
7. Act as authorized signatory for the Venture Program.
8. Represent the Venture Program at public meetings or events as requested.
9. Take all actions and produce all reports and other documents necessary to comply with US Treasury and SSBCI 2.0 program requirements.
10. Take all actions to effectuate the foregoing and any action delegated to them by the Executive Director or as outlined in this Venture Program Criteria.

E. Venture Program Goals

Historically, venture capital in California has been concentrated in the State's wealthy urban areas. Venture capital managers and venture funded entrepreneurs do not reflect the diversity of the State's population either geographically or demographically.

The Venture Program is focused on overcoming market gaps in California's venture capital industry today to:

- accelerate change in California's venture capital community by increasing the geographic and demographic diversity of venture capital fund managers and venture-backed entrepreneurs,
- encourage investment in SEDI-owned businesses, and
- attract additional private capital into under-resourced categories including underserved regions of California and climate equity investments.

The Venture Program is designed as a sustainable revolving finance program within IBank with the investment proceeds continually recycling to fill market gaps and catalyze economic development throughout the State of California.

The Venture Program will be guided by three strategies that conform with US Treasury's SSBCI 2.0 program requirements:

1. *Inclusive California Initiative.* This initiative provides funding to managers raising at least their second fund. The goal is to support a more inclusive venture capital community to benefit California, with a particular focus on underrepresented managers, and funds with a track record of investing in

SEDI-owned businesses. Commitments are expected to average \$10 million per fund.

2. *Emerging California Initiative.* This initiative provides funding to managers raising their first fund from institutional capital. Investment managers must have an attributable track record or proxies. Track record is the history of the investment manager's prior investments. In some cases, emerging managers may create a proxy track record, that is, they may have been in some way involved in evaluating an investment but may not have made the investment decision. This strategy focuses on underrepresented managers and fund managers seeking to focus on SEDI entrepreneurs. Commitments are expected to average \$5 million per fund.
3. *California Co-investment Initiative.* This co-investment initiative combines two approaches: providing (i) follow-on capital into portfolio companies of the Venture Program raising a subsequent investment, and (ii) funding that meets pre-defined criteria including both strategic elements (e.g., projects borne out of regional economic development plans, climate equity, underserved regions, underrepresented ownership) and financial characteristics. Commitments will range from \$500,000 to \$5 million per investment.

SSBCI 2.0 funding will be distributed in three equal tranches. The initial SSBCI allocation of approximately \$67 million to the Venture Program will be used to support each of these three initiatives. US Treasury mandates that at least 80% of the initial aggregate California SSBCI allocation must be deployed within three years as a condition precedent to the distribution of the second allocation.

## **II. VENTURE PROGRAM ADMINISTRATION**

### **A. Venture Program Process and Support**

The Venture Program is administered by the Deputy Director of Venture Capital acting under the guidance and authority of IBank's Executive Director, and supported by IBank staff operating in conjunction with contracted External Program Administrators and/or External Consultants to aid in the administration of the Venture Program. The External Program Administrator and External Consultant models differ in function and process as set forth below. At any time, the Venture Program may choose to contract with a combination of External Program Administrators and External Consultants, provided that the Venture Program shall seek US Treasury approval prior to initiating an External Program Administrator model. To select or replace an External Program Administrator or External



Consultant, the Deputy Director of Venture Capital will administer the request for qualifications (RFQ) process outlined below and will provide a staff report to the Board, who will in turn make the decision as to which service providers should be contracted.

On August 11, 2022, IBank issued a RFQ for one or more External Consultants. Following an open and competitive selection process, IBank's Executive Director, Chief Deputy Executive Director, Chief Credit Officer, SSBCI Venture Capital Development Consultant, and Senior Staff Counsel reviewed and analyzed all responses to the RFQ, and selected Cambridge Associates as an External Consultant. On October 19, 2022, the Board adopted Resolution 22-14 to appoint Cambridge Associates as an External Consultant. IBank and Cambridge Associates entered into an Investment Services Agreement with an effective date of December 14, 2022.

#### B. Investment Committee

The Investment Committee, chaired by the Deputy Director of Venture Capital, shall make investment decisions based on recommendations from an External Consultant. The Investment Committee shall also determine the appropriate use of State Supplement funds, if any, in each investment decision that is approved. In the Deputy Director of Venture Capital's absence, IBank's Chief Deputy Executive Director shall carry out the Chairperson's duties and responsibilities.

The Investment Committee shall consist of the following members: (i) IBank's Executive Director, (ii) IBank's Chief Deputy Executive Director, (iii) the Chief Deputy Director of the Governor's Office of Business and Economic Development, (iv) the Deputy Director of Venture Capital, (v) IBank's Senior Staff Counsel, and (vi) IBank's Venture Specialist. The Investment Committee may meet in person, by electronic means or by any such combination, and no records of the Investment Committee need to be produced or retained.

The Investment Committee shall convene at the call of the Chair. Four members constitute a quorum. Whenever any member is unable to attend a meeting, the Chairperson may select a competent substitute as an alternate if they shall find such substitution necessary. Each member or alternate at the meeting shall have one vote,

with the Chairperson having the tie-breaker vote. Any action is approved by a majority of the members or alternates present at the Investment Committee meeting.

#### C. External Consultant Process

An External Consultant will source, diligence, and recommend investments in venture capital funds and co-investments, which will be provided to the Investment Committee for review and decision.

An External Consultant will be primarily responsible for deal sourcing, through its existing networks. IBank will assist by promoting the program through its website, mailing lists, and outreach events. Any potential venture capital funds that approach IBank will be referred to an External Consultant for evaluation. Co-investments will be generated, among other sources, by the venture capital funds in which IBank has already invested, from companies that directly approach the Venture Program, and from venture capital funds that are not in the Venture Program's investment portfolio but are in an External Consultant's other client portfolios. IBank will not be the lead investor directly to company – a qualified fund manager shall lead the investment round.

An External Consultant will provide due diligence packs and other information to the Investment Committee to make a decision on each potential investment. For any co-investment, the Investment Committee may accept or reject the investment as soon as is practical after receiving the initial indication of interest pack from an External Consultant and provide a soft commitment pending final investment due diligence.

The Deputy Director of Venture Capital or Venture Specialist will share a description of each approved and executed investment with the Board as an information item at the time of its next Board meeting.

The Deputy Director of Venture Capital will be responsible for the collection of certifications and reporting information listed in the sections below from portfolio companies and funds and may use third parties to collect this information.

#### D. External Program Administrator Process

An External Program Administrator will make investments directly in venture capital funds and/or co-investments based on the Venture Program Criteria approved by the Board.

Investment transactions will be undertaken and executed by the External Program Administrator at their discretion, including negotiation and execution of investment agreements, and completion of any required US Treasury program documentation. The External Program Administrator will report to the Venture Program at least

quarterly on the progress of its investments, including the items described in the reporting section below, as well as providing a detailed valuation report at least annually.

E. General Venture Capital Program Administration

Service providers will be required to abide by US Treasury and U.S. Securities & Exchange Commission (“SEC”) guidelines.

Consistent with US Treasury requirements, the Venture Program will produce an annual report.

The Venture Program may utilize internal and external resources in the form of: attorneys, auditors, communications personnel, investment databases, CRM software, mailing list software, graphic design professionals, consultants on regulatory issues, providers of reporting, data gathering services and any other resources that may be required to effectively administer the Venture Program.

F. External Consultant or External Program Administrator Selection

An eligible External Program Administrator or External Consultant will have the track record and organizational capacity to operate their identified mandate successfully, in the opinion of the Deputy Director of Venture Capital and the Board. IBank will conduct an open request for qualifications (RFQ) process as needed to seek qualified External Program Administrators and/or External Consultants. The RFQ shall at a minimum consider the following:

1. Company longevity.
2. Type of assets managed.
3. Alignment of investment philosophy with program goals of improving venture capital access to underrepresented managers, underserved communities and regions, and advancing climate equity.
4. Team strength.
5. Investment track record.
6. Deal sourcing network.
7. Due diligence process.
8. Experience of managing/selecting underrepresented managers, networks in community.

9. Experience of managing/selecting California based managers in underserved regions, networks in community.
10. Experience of managing/selecting climate related investments, networks in community.
11. Experience of managing public sector mandates.
12. SEC registration.
13. Legal capacity.
14. Operational capacity.

### **III. FINANCING TERMS**

#### **A. Form and Duration of Funding**

The Venture Program or its External Program Administrator may issue loans to venture capital funds, startups (co-investments), Special Purpose Entities, or venture capital fund general partners for the sole purpose of investing in the relevant funds or co-investments. The loans will be in the form of a hybrid debt instrument. The loans will be senior or pari passu to other private capital and include a cap on returns to IBank. Loan duration will generally be up to 15 years. Any funds returned to IBank may be reloaned to the same or new entities for Venture Program purposes. Entities that receive funding through the program remain eligible to receive funding from other IBank programs.

#### **B. Fees**

In lieu of management fee, a service fee will be negotiated with each venture capital fund for services provided to portfolio companies, with the goal of keeping the Venture Program service fee within the allowance provided by US Treasury under SSBCI 2.0 guidelines. Currently, the service fee allowance amounts to an average annual rate of up to 1.71% of the federal contribution amount to a fund over the lesser of ten years or the life of the fund. Amounts in excess of the allowance and other negotiated expenses will be paid from the administration cost funds under SSBCI 2.0, program income, State Supplement funds, or other sources.

External Consultants, External Program Administrators, and other service providers may also charge reasonable fees or expenses, as negotiated by the Executive Director or Deputy Director of Venture Capital.

### C. SSBCI 2.0 Requirements

No investment will be initiated without securing a non-SSBCI capital match of at least 1:1 into the underlying co-investment or a fund.

Accordingly, at a minimum, every \$1 of loan under the Venture Program will cause and result in \$1 of new capital. This requirement will be met by ensuring that the Venture Program never contributes more than 50% of funding to an investment.

### D. SSBCI-Ineligible Entities

The Venture Program or any venture capital fund financed by the Venture Program shall not use SSBCI capital to fund or invest in any Investee described by the following:

1. has more than 750 employees;
2. together with the Venture Program's funding or the venture capital fund's proposed investment, will raise in excess of \$20,000,000 in the applicable investment round (which, for the avoidance of doubt, includes any capital raised from any future issuances of the same series of securities sold in such investment round);
3. a business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade;
4. a business that earns more than half of its annual net revenue from direct lending activities supported by its capital, unless the business is (1) a CDFI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company;
5. a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants (for purpose of clarity, a legitimate multi-level marketing company is not construed as an entity engaged in pyramid sales);
6. a business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in connection with illegal

activity, unless such use can be shown to be completely outside of the business's intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in Small Business Administration (SBA) Standard Operating Procedure (SOP) 50 10 6<sup>1</sup>;

7. a business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities, but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business. For purposes of Tribal SSBCI programs, "gaming activities" includes only "class II gaming" and "class III gaming" as these terms are defined under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703; or
8. such other entity which the Venture Program prohibits funds to be used to invest from time to time.

E. Use of SSBCI Proceeds

SSBCI proceeds advanced to any venture capital fund shall not be used to repay prior debt of any Investee that is not permitted under the SSBCI guidelines and that is or was owed by the Investee to the venture capital fund or to an affiliate of the venture capital fund.

SSBCI proceeds, regardless of whether received directly from the Venture Program or from a venture capital fund financed by the Venture Program, shall be used by the Investee solely for a business purpose. A business purpose includes, but is not limited to, start-up costs; working capital; franchise fees; and acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. Proceeds of the Loan may be used to purchase any tangible or

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<sup>1</sup> See chapter 3.A.8.b of SBA SOP 50 10 6 (effective October 1, 2020), which specifies the following with respect to marijuana-related businesses: "Because federal law prohibits the distribution and sale of marijuana, financial transactions involving a marijuana-related business would generally involve funds derived from illegal activity. Therefore, businesses that derive revenue from marijuana-related activities or that support the end-use of marijuana may be ineligible for SBA financial assistance."

intangible assets except goodwill. The term “business purpose” excludes acquiring or holding passive investments in real estate; the purchase of securities except as permitted in Clause (4) below; and lobbying activities (as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended (2 U.S.C. § 1602(7)).

The Investee shall not use proceeds to:

1. repay delinquent federal or jurisdiction income taxes unless the investee has a payment plan in place with the relevant taxing authority;
2. repay taxes held in trust or escrow (e.g., payroll or sales taxes);
3. reimburse funds owed to any owner, including any equity investment or investment of capital for the business’s continuance; or
4. purchase any portion of the ownership interest of any owner of the business, except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business.

Proceeds shall not be used to make investments prohibited by State or Federal law.

#### F. State Supplement Requirements

State Supplement funds shall only be used for loans for the purpose of financing venture capital funds. State Supplement funds shall not be committed to a venture capital fund without a simultaneous commitment of SSBCI funds.

Subject to negotiation and approval by the Investment Committee, the Venture Program or any venture capital fund financed by the Venture Program may use State Supplement funds for the following purposes:

1. pay fees and expenses to a venture capital fund to the extent that the amount due is in excess of the SSBCI allowance, provided that the fund manager agrees to aggressively monitor and control costs and expenses as part of conditions to closing; and
2. finance entities that are not eligible for SSBCI funding, provided those entities are not ineligible for State Supplement funding as outlined below.

The Venture Program or any venture capital fund financed by the Venture Program shall not use State Supplement funds to finance any entity described by the following:

1. a business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade;
2. a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants (for purpose of clarity, a legitimate multi-level marketing company is not construed as an entity engaged in pyramid sales);
3. a business engaged in activities that are prohibited by federal law or, if permitted by federal law, California law or applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in connection with illegal activity, unless such use can be shown to be completely outside of the business's intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in Small Business Administration (SBA) Standard Operating Procedure (SOP) 50 10 6<sup>2</sup>;
4. a business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities, but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business. For purposes of Tribal SSBCI programs, "gaming activities" includes only "class II gaming" and "class III gaming" as these terms are defined under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703; or

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<sup>2</sup> See chapter 3.A.8.b of SBA SOP 50 10 6 (effective October 1, 2020), which specifies the following with respect to marijuana-related businesses: "Because federal law prohibits the distribution and sale of marijuana, financial transactions involving a marijuana-related business would generally involve funds derived from illegal activity. Therefore, businesses that derive revenue from marijuana-related activities or that support the end-use of marijuana may be ineligible for SBA financial assistance."



5. such other entity which the Venture Program prohibits funds to be used to finance from time to time.

#### **IV. CAPITAL ALLOCATION GUIDELINES AND PROCEDURES**

##### **A. Venture Capital Fund Investment Guidelines**

In sourcing and identifying venture capital fund opportunities for the Venture Program, an External Consultant and/or External Program Administrator shall consider opportunities that meet the Venture Program Criteria and conduct full and independent due diligence on the funds and managers, including but not limited to, any combination or all of the factors listed below as deemed appropriate by the External Consultant or External Program Administrator.

	Item	Key Factors
1a	Team - Skill Set	Is this an appropriate team for our strategy? Does the team have diverse skill sets and voices?
1b	Team - Longevity & Experience	Has the team worked together previously? Is their prior experience relevant?
2a	Business Plan – Strategy	Does the fund's strategy (deal stage, funding type, thesis) align with our mission of supporting underserved communities & regions, and climate equity?
2b	Business Plan – Traction	Does the fund have a track record of investment in underserved or underrepresented communities & regions in California, or investment in climate equity?
2c	Business Plan – Focus	Does the fund focus align with our mission? Does it focus on underserved or underrepresented communities & regions, and on climate equity?
3	Fund Track Record	What track record does the fund or its principals have?
4	Deal Sourcing Network	Does the fund have a diverse and deep deal sourcing network in our target areas of underserved or underrepresented communities & regions?

	Item	Key Factors
5	Due Diligence Process	Does the fund have a well-established, proven due diligence process? Written records?
6	Decision Making Process	Does the fund have a well-established decision making process and investment committee?
7	Operational Capacity	Does the fund have sufficient operational capacity to manage proposed funds? External service providers?
8	Legal & Regulatory Capacity	Does the fund have dedicated legal support? Is it SEC registered?

**B. Co-Investment Guidelines**

In sourcing and identifying direct investment opportunities for the Venture Program, an External Consultant and/or External Program Administrator shall consider opportunities that meet the Venture Program Criteria and conduct full and independent due diligence on the small business, including but not limited to, any combination or all of the factors listed below as deemed appropriate by the External Consultant or External Program Administrator.

	Item	Key Factors
1a	Team – Skill Set	Is this the best team to run the business? Is the leadership comprised of underrepresented startup owners?
1b	Team – Longevity & Experience	How long has the team worked together? Experience in startups?
2a	Business Plan – Logic	Does the company have a coherent logical business plan?
2b	Business Plan – Traction	Does the company have sufficient traction with its current business plan?
2c	Business Plan – Mission Alignment	Does the company's business plan meet the needs of underserved or underrepresented communities & regions, or advance climate equity?

	Item	Key Factors
3	Product – Market Fit	Is the product or service unique or does it meet a significant need for underserved or underrepresented communities & regions, or climate equity?
4	Customer Fit	Does the company understand & meet the needs of its customer?
5	Market Size	Is the market large and fast growing? Is it part of an underserved or underrepresented community or region? Does it advance climate equity?
6	Competitive Advantage	Does the company have a sustainable competitive advantage?
7	Financials	Are the company's financial forecasts logical and achievable?
8	Round Valuation & Structure	Is the valuation fair? Is the round an optimal size? Are co-investors acceptable?
9	Exit Options	Does the company have a range of viable exit options?

### C. Certification Requirements

Prior to the IBank's closing and initial funding, a venture capital fund shall deliver to IBank executed (i) Sex Offender Certification, and (ii) Fund Use of Proceeds and Conflict of Interest Certification as required by the US Treasury in the forms shown in Exhibit A.

Prior to making an investment in an Investee, a venture capital fund shall deliver to IBank executed (i) Sex Offender Certification and (ii) Fund Use of Proceeds and Conflict of Interest Certification as required by US Treasury in the forms shown in Exhibit A.

In addition, an Investee, whether funded directly by IBank as a co-investment or through a venture capital fund, shall deliver to IBank executed (i) Sex Offender Certification and (ii) Fund Use of Proceeds and Conflict of Interest Certification as required by SSBCI in the forms shown in Exhibit A. At the same time, an Investee shall be provided a Certification Related to Business Enterprises Owned and Controlled by Socially and Economically Disadvantaged Individuals (SEDI-Owned

Businesses) in the form shown in Exhibit A, and if the Investee opts to complete and execute such certification, deliver the executed certification to IBank.

The Deputy Director of Venture Capital shall update the certification requirements to comply with any revisions or additions by US Treasury from time to time, without further Board approval.

#### D. Reporting Requirements

The Deputy Director of Venture Capital shall be responsible for the Venture Program's quarterly reporting in the form of Exhibit B (or similar Excel format as provided by U.S. Treasury.)

Annually, each venture capital fund shall deliver to IBank the completed SSBCI annual reporting in the form of Exhibit C (or similar Excel format as provided by the US Treasury) for each investment made using SSBCI funds and executed the certification form therein by the annual due date. The Deputy Director of Venture Capital shall be responsible for compiling the annual reports for submission to the US Treasury.

Similarly, for co-investments, the Deputy Director of Venture Capital shall complete the SSBCI annual reporting in the form of Exhibit C (or similar Excel format as provided by the US Treasury) by the annual due date for each investment made using SSBCI funds.

In addition, for the annual reporting, the Deputy Director of Venture Capital shall put together a concise narrative containing program-level updates on the progress the Venture Program has made on the plan submitted with the SSBCI application on how the participating jurisdiction would use the federal contribution to the approved program to help provide access to capital for small businesses in underserved communities. The narrative must also include any updates regarding the anticipated benefits to the jurisdiction from the approved program that were previously described in the application.

The Deputy Director of Venture Capital shall be responsible for any additional requests by U.S. Treasury relating to the Venture Program and assist IBank staff on any additional requests relating to the overall SSBCI program.

The Deputy Director of Venture Capital shall be responsible for any other reporting requirements, including state reporting.

The Deputy Director of Venture Capital shall update the reporting requirements to comply with any revisions or additions by US Treasury or other laws or regulations from time to time, without further Board approval.

## **Exhibit A—Certifications**

### **Investee Use of SSBCI Proceeds and Conflict of Interest Certification**

Funds from the State Small Business Credit Initiative (SSBCI) may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied. Borrower shall cause the Fund to require each Investee to deliver the following certification as a condition of any investment using proceeds of the Loan.

Legal name of investee: \_\_\_\_\_

The investee hereby certifies the following to the Fund:

1. The investment proceeds will be used solely for a business purpose. A business purpose includes, but is not limited to, start-up costs; working capital; franchise fees; and acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. Investee acknowledges that the investment from the Fund contains proceeds of the SSBCI funds which may be used to purchase any tangible or intangible assets except goodwill. The term "business purpose" excludes acquiring or holding passive investments in real estate; the purchase of securities except as permitted in certification 2.d below; and lobbying activities (as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended (2 U.S.C. § 1602(7))).
2. The investment proceeds from the Fund will not be used to:
  - a. repay delinquent federal or jurisdiction income taxes unless the investee has a payment plan in place with the relevant taxing authority;
  - b. repay taxes held in trust or escrow (e.g., payroll or sales taxes);
  - c. reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance; or
  - d. purchase any portion of the ownership interest of any owner of the business, except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business.
3. The investee is not:

- a. a business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade;
- b. a business that earns more than half of its annual net revenue from direct lending activities supported by its capital, unless the business is (1) a CDFI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company;
- c. a business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants (for purpose of clarity, a legitimate multi-level marketing company is not construed as an entity engaged in pyramid sales);
- d. a business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in connection with illegal activity, unless such use can be shown to be completely outside of the business's intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in Small Business Administration (SBA) Standard Operating Procedure (SOP) 50 10 6;<sup>3</sup> or
- e. a business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities, but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business.<sup>4</sup> For purposes of Tribal SSBCI programs, "gaming activities" includes only "class II gaming" and "class III gaming" as these terms are defined under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703.

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<sup>3</sup> See chapter 3.A.8.b of SBA SOP 50 10 6 (effective October 1, 2020), which specifies the following with respect to marijuana-related businesses: "Because federal law prohibits the distribution and sale of marijuana, financial transactions involving a marijuana-related business would generally involve funds derived from illegal activity. Therefore, businesses that derive revenue from marijuana-related activities or that support the end-use of marijuana may be ineligible for SBA financial assistance."

<sup>4</sup> Under this standard, a gaming Tribal enterprise could apply for SSBCI funds for a new gas station, for example, even if the Tribal enterprise's revenues from gaming were greater than 33 percent.

4. The investee is compliant with the venture capital program conflict of interest standards set forth in Section VIII.f of the SSBCI Capital Program Policy Guidelines. Briefly, these standards provide that no SSBCI insider, or a family member or business partner of an SSBCI insider, has a personal financial interest in the investee unless an exception specified in Section VIII.f of the SSBCI Capital Program Policy Guidelines applies. The terms “SSBCI insider,” “family member,” “business partner,” and “personal financial interest” have the meanings set forth in Section VIII.f of the SSBCI Capital Program Policy Guidelines.

If an exception applies, it must be specified here:

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The undersigned is an authorized representative of the investee.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



### Sex Offender Investor/Investee Certification

Under the State Small Business Credit Initiative (SSBCI), Borrower shall cause the Fund and each Investees to certify that their principals have not been convicted of a sex offense against a minor.

Legal name of investor  or investee : \_\_\_\_\_

The investor or investee hereby certifies the following to the participating jurisdiction:

No principal of the entity listed above, has been convicted of a sex offense against a minor (as such terms are defined in 34 U.S.C. § 20911). For the purposes of this certification, “principal” is defined as if a sole proprietorship, the proprietor; if a partnership, each managing partner and each partner who is a natural person and holds 50 percent or more ownership interest of any class of the partnership interests; if a corporation, limited liability company, association, development company, or other entity, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is a direct or indirect holder of 50 percent or more of any class of equity interest in the entity; and if a partnership where the managing partner is a corporation, limited liability company, association, development company, or other entity, each director and each of the five most highly compensated executives or officers of the entity.

The undersigned is an authorized representative of the investor or investee.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Fund Use of SSBCI Proceeds and Conflict of Interest Certification**

The Fund receiving proceeds of the Loan may only be used for certain purposes and in circumstances where the applicable conflict of interest standards are satisfied.

All capitalized terms herein shall be defined in the Participating Loan Agreement dated as of \_\_\_\_\_, 202[ ].

Legal name of Fund: \_\_\_\_\_

The Borrower hereby certifies on behalf of the Fund the following to IBank:

1. The proceeds of the Loan advanced to the Fund is not being made in order to repay prior debt of an Investee that is not permitted under the Program and that is or was owed by the Investee to the Fund (or the Primary Fund) or to an affiliate of the Fund (or Primary Fund).
2. Neither the Fund [nor the Primary Fund] is attempting to enroll any portion of an SBA-guaranteed loan.
3. The investment of the Fund with each Investee complies with the Program conflict of interest standards as set forth in Section VIII.f of the SSBCI Capital Program Policy Guidelines.

The undersigned is an authorized representative of the Fund.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Investee Certification Related to Business Enterprises Owned and Controlled by Socially and Economically Disadvantaged Individuals (SEDI-Owned Businesses)**

This transaction is supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs in states, the District of Columbia, territories, and Tribal governments (collectively known as participating jurisdictions). SSBCI programs are designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity. SSBCI provides funding for participating jurisdictions to support businesses owned and controlled by socially and economically disadvantaged individuals (SEDI-owned businesses). This certification provides data for reporting purposes and documentation that an SSBCI loan or investment supported a SEDI-owned business.

The information collected from this certification can only be used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third parties). The information collected must also not be used in a manner that violates any applicable anti-discrimination laws, including, but not limited to, the laws specified in Section IX.b of the Capital Program Policy Guidelines (Compliance with Civil Rights Requirements).

The investee is not required to provide this certification and is voluntarily providing this certification. The investee may identify all categories in groups (1) through (3) below that apply, including all subcategories in group (1) that apply.

Legal name of investee: \_\_\_\_\_

The investee hereby certifies to the investor that it is a:

1. Business enterprise that is owned and controlled<sup>5</sup> by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their:

\_\_\_\_\_

<sup>5</sup> The term “owned and controlled” means, if privately owned, 51 percent is owned by such individuals; if publicly owned, 51 percent of the stock is owned by such individuals; and in the case of a mutual institution, a majority of the board of directors, account holders, and the community of which the institution services is predominantly comprised of such individuals.

- membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
  - gender;
  - veteran status;
  - limited English proficiency;
  - disability;
  - long-term residence in an environment isolated from the mainstream of American society;
  - membership of a federally or state-recognized Indian Tribe;
  - long-term residence in a rural community;
  - residence in a U.S. territory;
  - residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or
  - membership of another underserved community.<sup>6</sup>
2.  Business enterprise that is owned and controlled by individuals whose residences are in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii).<sup>7</sup>

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<sup>6</sup> “Underserved communities” are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of equity. Equity is consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

<sup>7</sup> Treasury has provided a mapping tool for the investee to use to identify whether the relevant address is in a CDFI Investment Area at <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci/2021-ssbci/cdfi-fund-investment-areas>. For each calendar year, Treasury will use the list of CDFI

Individual(s)' Address(es) in CDFI Investment Areas:

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3.  Business enterprise that will build, open, or operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii).

Business Address in CDFI Investment Area:

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The undersigned is an authorized representative of the investee.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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Investment Areas identified by the CDFI Fund as of January 1 of the calendar year. If the CDFI Fund's list is updated during that calendar year, the new list will not be adopted for purposes of SSBCI until the next calendar year, thus providing advance notice to jurisdictions. Further, Treasury has determined that American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands in their entirety constitute CDFI Investment Areas for purposes of the SSBCI, because each of these territories has a poverty rate of at least 20 percent.

## Exhibit B—Quarterly Reporting

### SSBCI Quarterly Reporting Due By the 30<sup>th</sup> of January, April, July, and October

<i>Table 4. Program-Level Information on the Use of SSBCI Funds in Quarterly Reports</i>	
<b>Data Element</b>	<b>Description</b>
Approved Program Name	Select the name of each approved program.
Program Total Allocated Funds Expended, Obligated, or Transferred (EOT)	Dollar amount of allocated funds EOT.
Program Allocated Funds EOT for Direct Administrative Costs	Dollar amount of allocated funds EOT for direct administrative costs.
Program Allocated Funds EOT for Indirect Administrative Costs	Dollar amount of allocated funds EOT for indirect administrative costs.
Program Total Recycled Funds EOT	Dollar amount of recycled funds EOT.
Contracted Entity Funding	\$0
Program Income	Dollar amount of program income earned.
Additional Information	Text field for any additional clarifications, descriptions, or information.

## Exhibit C—Annual Reporting

### SSBCI Annual Reporting Due By March 31<sup>st</sup> of Each Year

#### a. Information about Providers<sup>8</sup> in an Approved Program

All data elements in Table 6, except for allocated funds expended for costs of program services (the last item listed in Table 6), only need to be reported once and then updated in subsequent annual reports only if there are changes.

<i>Table 6 – Data Elements for Each Provider</i>	
Data Element	Description
Provider	Enter the name of the venture capital fund
Provider EIN	Provider’s employer identification number (EIN) or tax ID number.
Provider Regulatory ID	<p>For fund managers registered as investment advisers with the Securities and Exchange Commission (SEC), provide the provider’s SEC registration number.</p> <p>For fund managers registered with the jurisdiction itself, provide the provider’s registration number from the jurisdiction.</p> <p>If none of the above regulatory IDs apply, but another regulatory ID applies, respond “Other.”</p> <p>If no regulatory ID number applies, respond “None.”</p>
Other Provider ID	Text field for a description if responded “Other” for the data element “Provider Regulatory ID.”
Provider Type	<p>Indicate what type of entity the provider is (if multiple types apply, choose the one that best describes the provider’s role:</p> <ul style="list-style-type: none"> <li>-For-profit venture capital fund</li> <li>-Nonprofit venture capital fund or venture/entrepreneurial development organization</li> <li>-Corporate venture capital fund</li> </ul>

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<sup>8</sup> For fund investment programs, the Provider is the fund that invests SSBCI funds and private capital in a business.

<i>Table 6 – Data Elements for Each Provider</i>	
<b>Data Element</b>	<b>Description</b>
	-CDFI venture capital fund -Other
Other Provider Type	Text field for a description if the participating jurisdiction responded “Other” for the data element “Provider Type.”
Fund as Source of Private Capital	Indicate whether the provider is a fund that is the primary source of private capital for the purpose of meeting the 1:1 financing requirement as described in Section VIII.c of the Capital Program Policy Guidelines. -Yes -No
Provider as Source of Private Capital	If the provider is not a fund, indicate whether the provider is the primary source of private capital for the purpose of meeting the 1:1 financing requirement as described in Section VIII.c of the Capital Program Policy Guidelines. -Yes -No
Target Fund Size	If the provider is a fund, provide the target total fund size including SSBCI funds and other capital.
Incubation and Early-Stage Investment Call Option	No
Allocated Funds Expended for Costs of Program Services	If the provider is a venture capital fund, specify the annual dollar amount of allocated funds expended by the fund for services to portfolio companies. This data element is reported on an annual basis.

**b. SSBCI-Supported Investment Information**

Table 7 includes, among other items, demographics-related information satisfying the requirements in the SSBCI Interim Final Rule.<sup>9</sup> Tables 8 is intentionally omitted as it is not applicable to the Venture Program.

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<sup>9</sup> State Small Business Credit Initiative; Demographics-Related Reporting Requirements, Department of the Treasury, 87 Federal Register 13628 (March 10, 2022).



Table 9 lists data elements on transaction terms for equity programs.

A Fund, or IBank in the case of a co-investment, must report the data elements in Table 7 and Table 9 for each SSBCI-supported investment that received a disbursement to the business during the applicable annual reporting period. All data elements in Tables 7 and 9 only need to be reported once. A Fund, or IBank in the case of a co-investment, must provide a Privacy Notice and Privacy Act Statement in Appendix 2 below to those from whom it collects data, or cause any entities that collect this data on its behalf to do the same.

The demographics-related data elements may only be collected and used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third-parties). The demographics-related information must not be used in a manner that violates any applicable anti-discrimination laws, including, but not limited to, the laws specified in Section IX.b of the Capital Program Policy Guidelines (Compliance with Civil Rights Requirements). A Fund, or IBank in the case of a co-investment, must inform all small businesses of this limited usage when these data elements are collected. A Fund shall establish data privacy and security requirements for the demographic-related information described in Table 7 that include appropriate measures to ensure that the privacy of the individuals is protected. SSBCI is providing a sample demographic data collection form that can be used to collect these data elements, with instructions for how the sample form should be used (see SSBCI Sample Form for Demographics-Related Data in Appendix 3 below). The sample form will be a useful tool for a Fund in its collection of demographic data for use in completing Table 7.

<b><i>Table 7. SSBCI-Supported Loan and Investment Information for All Programs</i></b>	
<b>Data Element</b>	<b>Definition</b>
Provider	Name of the venture capital fund.
Approved Program Name	Select the name of the approved program.
Unique Transaction ID	Alphanumeric or numeric code that is unique to each transaction.
Business Name	Name of the investee.
Business EIN	EIN of the investee. Do not provide a business EIN if it is a Social Security number.
Business Street Address	Street address of the investee’s main office or location of the investee that is primarily benefitting from the SSBCI funds. If real estate construction financing is involved, enter the street address of the project.
Business City	City of the investee.
Business State	State of the investee.
Business Zip Code	Zip code of the investee.
NAICS Code	2017 North American Industry Classification System (NAICS) codes for the investee’s industry.

**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
Year Business Opened	Year in which the investee commenced operations.
Form of Business Organization	Legal entity type of the investee: -Any organizational form that is a nonprofit entity -Sole proprietor/independent contractor -Partnership -Limited liability company -Corporation -Worker cooperative or other employee-owned entity -Tribal enterprise -Tribal member-owned business -Other
Other Type of Business Receiving SSBCI Funds	Text field for a description if selected “Other” in the data element “Form of Business Organization.”
Primary Transaction Source of Private Capital  This field only appears if response was “No” to both data element “Fund as Source of Private Capital” and to “Provider as Source of Private Capital” in Table 6.	Indicate the primary source of private capital to the business for the purpose of meeting the 1:1 financing requirement as described in Section VIII.c of the Capital Program Policy Guidelines: -CDFI bank, thrift, credit union, or depository institution holding company -Non-CDFI Community bank -Other bank, thrift, or depository institution holding company -CDFI loan fund -Non-CDFI credit union -Nonbank lender or nonbank payment services provider -Non-CDFI debt or loan fund -Growth equity capital fund -Angel investor or angel fund -Accelerator or incubator fund -For-profit venture capital fund -Nonprofit venture capital fund or venture/entrepreneurial development organization -Corporate venture capital fund -CDFI venture capital fund

**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
	<ul style="list-style-type: none"> <li>-Tribal enterprise new funds</li> <li>-Other for-profit investor</li> <li>-Other non-profit investor</li> </ul>
<p>Secondary Transaction Source of Private Capital</p> <p>This field only appears if response was “No” to both “Fund as Source of Private Capital” and to “Provider as Source of Private Capital.”</p>	<p>Indicate the secondary sources of private capital to the business for the purpose of meeting the 1:1 financing requirement as described in Section VIII.c of the Capital Program Policy Guidelines. Select all that apply:</p> <ul style="list-style-type: none"> <li>-CDFI bank, thrift, credit union, or depository institution holding company</li> <li>-Community bank</li> <li>-Non-CDFI bank, thrift, or depository institution holding company</li> <li>-CDFI loan fund</li> <li>-Non-CDFI credit union</li> <li>-Nonbank lender or nonbank payment services provider</li> <li>- Non-CDFI debt or loan fund</li> <li>-Growth equity capital fund</li> <li>-Angel investor or angel fund</li> <li>-Accelerator or incubator fund</li> <li>-For-profit venture capital fund</li> <li>-Nonprofit venture capital fund or venture/entrepreneurial development organization</li> <li>-Corporate venture capital fund</li> <li>-CDFI venture capital fund</li> <li>-Tribal enterprise new funds</li> <li>-Other for-profit investor</li> <li>-Other non-profit investor</li> </ul>
<p>Primary Purpose of the Investment</p>	<p>Indicate the primary purpose of the SSBCI-supported investment that the investee obtained:</p> <ul style="list-style-type: none"> <li>-Marketing, market research, and commercialization expenses - Research and development</li> <li>-Technology integration in physical production, e.g., manufacturing or supply chain</li> </ul>

**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
	<ul style="list-style-type: none"> <li>-Technology integration of nonphysical production, e.g., accounting, customers</li> <li>-Acquire land</li> <li>-Purchase existing building</li> <li>-Convert, expand, or renovate buildings – energy efficiency</li> <li>-Convert, expand, or renovate buildings – other</li> <li>-Construct new buildings</li> <li>-Acquire and install fixed assets</li> <li>-Acquire inventory</li> <li>-Purchase supplies and raw materials</li> <li>-Leasehold improvements</li> <li>-Working capital – wages, salaries, and benefits of employees</li> <li>-Working capital – other</li> <li>-Refinance outstanding debt</li> <li>-Support employee stock ownership plan (ESOP) transactions</li> <li>-Other</li> </ul>
Purpose of the Investment – Other	Text field for description if selected “Other” in the data element “Primary Purpose of the Loan or Investment.”
Secondary Purpose of the Investment	Indicate the secondary purpose of the SSBCI-supported investment that the investee obtained. Select all that apply: <ul style="list-style-type: none"> <li>-Marketing, market research, and commercialization expenses</li> <li>-Research and development</li> <li>-Technology integration in physical production, e.g., manufacturing or supply chain</li> <li>-Technology integration of nonphysical production, e.g., accounting, customers</li> <li>-Acquire land</li> <li>-Purchase existing building</li> <li>-Convert, expand, or renovate buildings – energy efficiency</li> <li>-Convert, expand, or renovate buildings – other</li> <li>-Construct new buildings</li> <li>-Acquire and install fixed assets</li> </ul>

**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
	<ul style="list-style-type: none"> <li>-Acquire inventory</li> <li>-Purchase supplies and raw materials</li> <li>-Leasehold improvements</li> <li>-Working capital – wages, salaries, and benefits of employees</li> <li>-Working capital – other</li> <li>-Refinance outstanding debt</li> <li>-Support employee stock ownership plan (ESOP) transactions</li> <li>-Other</li> </ul>
Secondary Purpose of the Investment – Other	Text field for description if selected “Other” in the data element “Secondary Purpose of the Investment.”
Climate-aligned Investment	<p>Indicate whether the SSBCI-supported investment supports a business that makes climate-aligned investments. Climate-aligned investments may reduce greenhouse gas emissions or promote adaptation to climate change or energy transitions. This could be either in the business’s activities (including its production processes and use of energy, inputs, supply chain services, and/or actions to increase resiliency) or by supplying products and services that contribute to lower emissions. Climate-aligned investments can include investment supporting weatherization; energy-efficient prefabrication or manufacturing; supply chain use, processes or production resulting in lower emissions; energy site transitions; sustainable and/or climate-smart agriculture and forestry; renewable energy development or implementation (including wind, solar, hydroelectric, biomass, geothermal, and other low-carbon technologies); electric vehicle innovation or use; and other investments that aim to build climate resilience, support adaptation to extreme weather and climate events, and/or mitigate climate change.</p> <ul style="list-style-type: none"> <li>-Yes</li> <li>-No</li> </ul>
Energy- or Climate-Impacted Communities	<p>Indicate whether the SSBCI-supported investment supports a small business in a community facing local job losses or business revenue declines due to physical or transition impacts from climate change, including shifts in energy production. Examples of such local job loss or revenue declines include declines due to changes in the economics of producing certain agriculture or foods, other natural resource goods, chemical inputs, manufactured products, or service sector outputs due to acute or chronic climate impacts, costs, regulations, or shifts in demand. Examples of shifts in energy production include any</p>

**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
	<p>transition away from fossil fuel extraction, refining, or fossil-based energy generation in the oil, gas, and/or coal sector.</p> <p>-Yes</p> <p>-No</p>
Disbursement Date	Date that the funds for the SSBCI-supported investment were disbursed from the provider to the investee.
Investment Transaction Amount	<p>Dollar amount that was disbursed from the provider, or IBank in the case of a co-investment, to the business for the SSBCI-supported investment, including SSBCI funds and private capital.</p> <p>Do not include any amounts reported under “Concurrent Private Financing” that are associated with, but separate from, the SSBCI-supported investment.</p>
Allocated Funds Expended	<p>For coinvestment, dollar amount of allocated funds invested directly in a business.</p> <p>For fund investment programs, dollar amount of IBank’s SSBCI funds invested directly in a business.</p>
Recycled Funds Expended	\$0
Additional Government Funds	Dollar amount of other funding from other public or government sources invested at the same time as the SSBCI-supported investment.
Concurrent Private Financing	Dollar amount of any private financing that was caused by or resulted from the SSBCI-supported investment and that occurred at or around the same time as the SSBCI-supported investment.
Business Revenue	Investee’s annual gross revenues for the fiscal or calendar year prior to the closing of the investment. This may be the most recent year for which taxes were filed.
Business Net Income	Investee’s net income for the fiscal or calendar year prior to the closing of the investment. This may be the most recent year for which taxes were filed.
Full-Time Equivalent Employees	Investee’s full-time equivalent employees (FTEs), rounded to the nearest whole number, at the time of the closing of the SSBCI-supported investment. This is determined by adding the number of full-time employees and number of part-time and seasonal employees as a fraction of a full-time employee.

**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
	For example, if a business has 100 employees working full-time (assume a full-time week of 40 hours) and 50 employees working 20 hours per week, the total number of FTEs would be 125. For seasonal employees, the FTE count is based on a 2,080-hour year, so that an employee who works 520 hours per year counts as 0.25 FTEs.
Expected Jobs Created	Number of full-time, part-time, and temporary jobs expected to be created as a direct result of the SSBCI-supported investment within two years from the date of the investment closing.
Expected Jobs Retained	Number of full-time, part-time, and temporary job losses averted as a direct result of the SSBCI-supported investment (not including jobs that were not at risk of being lost).
Self-certified SEDI Owned and Controlled in CDFI Investment Area	Indicate whether the investee certified that it is owned and controlled by individuals whose residences are in CDFI Investment Areas. -Self-certified -The business did not certify
Self-certified SEDI Future Location in CDFI Investment Area	Indicate whether the investee certified that it will operate a future location in a CDFI Investment Area. -Self-certified -The business did not certify
SEDI Status by Business Address in CDFI Investment Area	Indicate whether the investee is located in a CDFI Investment Area, as evidenced by the business address. -Yes -No
Self-Certified SEDI Demographics-Related Business Status	Indicate whether the business self-certified that it is a SEDI demographics-related business. Select which one or more of the categories that apply: -Self-certified due to membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society -Self-certified due to gender -Self-certified due to veteran status -Self-certified due to limited English proficiency -Self-certified due to disability -Self-certified due to long-term residence in an environment isolated from the mainstream of American society

**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
	<ul style="list-style-type: none"> <li>-Self-certified due to membership of a Federally or state-recognized Indian Tribe</li> <li>-Self-certified due to long-term residence in a rural community</li> <li>-Self-certified due to residence in a U.S. territory</li> <li>-Self-certified due to residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization)</li> <li>-Self-certified due to membership of an “underserved community” as defined in Executive Order 13985.<sup>10</sup></li> <li>-The business did not certify</li> </ul>
<p>Minority-Owned or Controlled Business Status</p>	<p>Indicate whether the business is a minority-owned or controlled business:</p> <ul style="list-style-type: none"> <li>-Yes</li> <li>-No</li> <li>-Prefer not to respond</li> <li>-The business did not answer</li> </ul>
<p>Women-Owned or Controlled Business Status</p>	<p>Indicate whether the business is a women-owned or controlled business:</p> <ul style="list-style-type: none"> <li>-Yes</li> <li>-No</li> <li>-Prefer not to respond</li> <li>-The business did not answer</li> </ul>

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<sup>10</sup> Underserved communities are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of equity. Equity is the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.



**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
Veteran-Owned or Controlled Business Status	<p>Indicate whether the business is a veteran-owned or controlled business:</p> <ul style="list-style-type: none"> <li>-Yes</li> <li>-No</li> <li>-Prefer not to respond</li> <li>-The business did not answer</li> </ul>
Race of Principal Owners	<p>For each principal owner of the business, indicate the one or more race categories with which the principal owner identifies:</p> <ul style="list-style-type: none"> <li>-American Indian or Alaska Native</li> <li>-Asian               <ul style="list-style-type: none"> <li>--Indian</li> <li>--Chinese</li> <li>--Filipino</li> <li>--Japanese</li> <li>--Korean</li> <li>--Vietnamese</li> <li>--Asian (Other)</li> </ul> </li> <li>-Black or African American</li> <li>-Native Hawaiian or Other Pacific Islander               <ul style="list-style-type: none"> <li>--Guamanian or Chamorro</li> <li>--Native Hawaiian</li> <li>--Samoan</li> <li>--Pacific Islander (Other)</li> </ul> </li> <li>-White</li> <li>-Prefer not to respond</li> <li>-The business did not answer</li> </ul>
Ethnicity of Principal Owners	<p>For each principal owner of the business, indicate which of the following ethnicity categories the principal owner identifies with:</p> <ul style="list-style-type: none"> <li>-Hispanic or Latino/a</li> <li>-Not Hispanic or Latino/a</li> <li>-Prefer not to respond</li> </ul>

**Table 7. SSBCI-Supported Loan and Investment Information for All Programs**

<b>Data Element</b>	<b>Definition</b>
	-The business did not answer
Middle Eastern or North African Ancestry of Principal Owners	<p>For each principal owner of the business, indicate which of the following ancestry categories the principal owner identifies with:</p> <ul style="list-style-type: none"> <li>-Middle Eastern or North African</li> <li>-Not Middle Eastern or North African</li> <li>-Prefer not to respond</li> <li>-The business did not answer</li> </ul>
Gender of Principal Owners	<p>For each principal owner of the business, indicate which one of the following gender categories the principal owner identifies with:</p> <ul style="list-style-type: none"> <li>-Female</li> <li>-Male</li> <li>-Nonbinary</li> <li>-Prefer to self-describe</li> <li>-Prefer not to respond</li> <li>-The business did not answer</li> </ul>
Gender of Principal Owners – Self-Identification	Text field for description if selected “Prefer to self-describe” in the data element “Gender of Principal Owners.”
Sexual Orientation of Principal Owners	<p>For each principal owner of the business, indicate which one of the following sexual orientation categories the principal owner identifies with:</p> <ul style="list-style-type: none"> <li>-Gay or lesbian</li> <li>-Bisexual</li> <li>-Straight, that is, not gay, lesbian, or bisexual</li> <li>-Something else</li> <li>-Prefer not to respond</li> <li>-The business did not answer</li> </ul>
Veteran Status of Principal Owners	<p>For each principal owner of the business, indicate which of the following categories the principal owner identifies with:</p> <ul style="list-style-type: none"> <li>-Veteran</li> <li>-Non-veteran</li> <li>-Prefer not to respond</li> </ul>

<i>Table 7. SSBCI-Supported Loan and Investment Information for All Programs</i>	
<b>Data Element</b>	<b>Definition</b>
	-The business did not answer

<i>Table 9. Transaction Terms Specific to Equity Programs</i>	
<b>Data Element</b>	<b>Definition</b>
Unique Transaction ID	Alphanumeric or numeric code that is unique to each transaction.
Stage of Investment	<p>Stage of the business on the transaction date for all equity investments:</p> <ul style="list-style-type: none"> <li>-Pre-Seed – developing technology or business model for product/service</li> <li>-Seed – proof-of-concept and developed business model</li> <li>-Early Stage – product/service launch and market traction</li> <li>-Later Stage – scale-up operations and growing revenue</li> <li>-Growth Equity – mature business seeking growth opportunities</li> <li>-Other</li> </ul>
Security Type	<p>Type of security purchased:</p> <ul style="list-style-type: none"> <li>-Common stock</li> <li>-Preferred stock</li> <li>-Convertible debt (debt with automatic conversion to equity in a qualified priced round)</li> <li>-Standard agreement for future equity (SAFE) or other unpriced equity-like securities</li> <li>-Other</li> </ul>
Other Security Offered	Text field for description if selected “Other” in the data element “Security Type.”
<p>SSBCI Ownership Percentage</p> <p>This field only appears if common stock or preferred stock.</p>	<p>For co-investment, the percentage of equity ownership of the business on a fully diluted basis acquired using SSBCI funds.</p> <p>For fund investment programs, the implied percent of equity ownership of the business on a fully diluted basis that is calculated, for example by multiplying the percent of the SSBCI funds investment in an equity fund times the percent of the business which the equity fund owns after the transaction, or by some other method.</p> <p>Select one:</p>

<b>Table 9. Transaction Terms Specific to Equity Programs</b>	
<b>Data Element</b>	<b>Definition</b>
	-0% to 5% -5% to 10% -10% to 20% -20% to 50% -Greater than 50%
Conversion Discount This field only appears if convertible note, SAFE or other unpriced equity-like securities.	Percentage reduction on the price of equity shares at which the convertible note investors' claim converts to equity relative to the next qualified priced round.
Valuation Cap This field only appears if convertible note, SAFE or other unpriced equity-like securities.	Imposed maximum valuation of the business used to price the SSBCI investment for conversion into equity shares at the next qualified priced round.
Type of Valuation Cap This field only appears if convertible note, SAFE or other unpriced equity-like securities.	Indicate whether the valuation cap is pre-money or post-money. -Pre-money -Post-money

The data specified in Table 10 must be reported in the annual report, if applicable, for an SSBCI-supported investment. The purpose of this information is to understand how the loan or investment performed and affected the business.

As shown in Table 10, subsequent private financing caused by, or resulting from, the initial SSBCI-supported financing must be reported. Subsequent financing is considered to be caused by, or resulting from, the initial SSBCI-supported financing when such financing increases the current and future creditworthiness of a business. This nexus between the initial SSBCI-supported investment and subsequent private financing occurs only when such investment is a form of subordinated, mezzanine, or equity financing—in other words, a form of financing that strengthens the business's balance sheet. If there is no such nexus, then no subsequent private financing is reported.

The Fund, or IBank in the case of a co-investment, shall report subsequent private financing until (1) the completion of the contract, default or business failure, an exit event, or other event that ends the investment relationship, or (2) the end of the SSBCI program reporting requirements.

<b>Table 10. Information on SSBCI-Supported Investment Performance</b>	
<b>Data Element</b>	<b>Definition</b>

Unique Transaction ID	Alphanumeric or numeric code that is unique to each transaction.
Subsequent Private Financing	Total dollar amount of private financing received after closing of the investment that is caused by, or resulting from, the initial SSBCI-supported investment.
SSBCI Funds Lost	Dollar amount of IBank’s SSBCI funds that were lost due to loss of investment (i.e., an investment is written off).
Equity Investment Gains	Dollar amount of any gains returned to IBank (as the SSBCI investor) above the amount of invested SSBCI capital.

Table 11 lists additional data that the Fund, or IBank in the case of co-investment, should collect from the investee annually after the closing of each SSBCI-supported investment, if available.

<i>Table 11. Investee Data</i>	
<b>Data Element</b>	<b>Definition</b>
Business Revenue	Investee’s annual gross revenues for its most recent fiscal or calendar year. This may be the most recent year for which taxes were filed. There will be an option to report that the information is not available.
Business Net Income	Investee’s net income for its most recent fiscal or calendar year. This may be the most recent year for which taxes were filed. There will be an option to report that the information is not available.
Year of Reported Business Revenue and/or Net Income	Fiscal or calendar year of the data reported for Business Revenue and/or Business Net Income.

Before providing funding to a private entity using SSBCI funds, the Venture Program must obtain the following:

- The written agreement of the private entity to make available to the Treasury Inspector General and the Government Accountability Office all books and records related to the use of the SSBCI funds, subject to applicable privacy laws, including but not limited to 12 U.S.C. § 3401 et seq., including detailed loan and investment records, as applicable;
- A certification from the private entity that the principals of such entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

Treasury will apply record retention principles that are consistent with the approach set forth in 2 C.F.R. § 200.334. The Fund and the Venture Program must retain all financial records, supporting documents, statistical records, and all other records for a period of three years from the date of submission of the final quarterly report, except as otherwise provided in 2 C.F.R. § 200.334. Treasury, the Treasury Inspector General, the Government Accountability Office, or any of their duly authorized representatives have the right of timely and unrestricted access to any books, documents, papers, or other records in order to make audits, investigations, examinations, excerpts, transcripts, and copies of such documents. This right also includes timely and reasonable access to the Fund's or IBank personnel for the purpose of interviews and discussion related to such documents. This right of access will last as long as records are required to be retained, except that Treasury's right of access expires on the date that is 180 days after the end of the period of performance for the SSBCI funds.

Treasury may unilaterally increase the frequency and the scope of the reporting requirements.

Because the Fund will be receiving sensitive information, Treasury strongly encourages entities to establish robust protections against data breaches and misuse and to comply with all applicable privacy laws.

**Appendix 1 of Exhibit C**

**Certification Required with SSBCI Annual Report**

The undersigned, on behalf of the Fund specified below, hereby makes the following certifications as of the date of this certification:

1. The information, certifications, attachments, and other information provided by the Fund specified below to IBank and the U.S. Department of the Treasury related to the State Small Business Credit Initiative (SSBCI) are true and correct and do not contain any materially false, fictitious, or fraudulent statement, nor any concealment or omission of any material fact; and
2. The undersigned has authority to execute and deliver this certification on behalf of the Fund.

IN WITNESS WHEREOF, this certificate has been duly executed and delivered as of the [ ] day of [ ], 202[ ].

[Name of the Fund]

By: \_\_\_\_\_

Name:

Title:

## **Appendix 2 of Exhibit C**

### **SSBCI Privacy Notice and Privacy Act Statement**

#### **Privacy Notice:**

Information from this collection will be shared with the U.S. Department of the Treasury (Treasury). Treasury has published a Privacy and Civil Liberties Impact Assessment that describes what Treasury will do with the information your business provides in this application. It can be found on the Treasury website at <https://home.treasury.gov/footer/privacy-act/privacy-and-civil-liberties-impact-assessments/do-pleia>. If you have any questions about this document, please email [Privacy@Treasury.gov](mailto:Privacy@Treasury.gov).

#### **Privacy Act Statement for Sole Proprietorships:**

The Privacy Act of 1974 (Privacy Act) protects certain information that the federal government has about “individuals” (United States citizens and lawfully admitted permanent residents). The Privacy Act does not generally apply to businesses, but some federal courts have found that this law applies to sole proprietors (they are deemed “individuals” under the Privacy Act). If you, as the applicant, are a sole proprietor, you may have rights under the Privacy Act.

Authority: Small Business Jobs Act of 2010 (SBJA), Title III, 12 U.S.C. § 5701 et seq., as amended by the American Rescue Plan Act of 2021 (ARPA), section 3301; Executive Order No. 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, 86 Fed. Reg. 7009 (January 25, 2021); and Interim Final Rule, State Small Business Credit Initiative; Demographics-Related Reporting Requirements, 87 Fed. Reg. 13628 (March 10, 2022).

Purpose: Information from this collection will be shared with Treasury. This information will be shared with Treasury so it can conduct oversight to ensure compliance with federal law, including requirements related to nondiscrimination and nondiscriminatory uses of federal funds. Treasury also receives this information (including any demographic information provided) to comply with reporting requirements under the authorities listed above and to advance fairness and opportunity in underserved communities in the allocation of federal resources.

Routine Uses: The information you furnish may be shared in accordance with the routine uses outlined in Treasury .013, Department of the Treasury Civil Rights Complaints and Compliance Review Files; Treasury .015, General Information Technology Access Account Records; and Treasury .017, Correspondence and Contact Information. For example, one routine use under Treasury .013 is to disclose pertinent information to appropriate agencies when Treasury becomes aware of a potential violation of civil or criminal law. Under this routine use, Treasury may disclose demographic information to the appropriate agencies if Treasury becomes aware of a violation of applicable antidiscrimination laws. More information about this and other routine uses can be found in the System of Records Notices (SORNs) listed above, which are posted on Treasury’s website at <https://home.treasury.gov/footer/privacy-act/system-of-records-notices-sorns>.

Disclosure: Providing this information is voluntary. However, failure to furnish the requested information (except for the demographic information) may result in the denial of your request for Advances or fund disbursements. Providing demographic information is optional. If you decline to provide this information, it will not adversely affect your request for Advances or fund disbursements.



**Appendix 3 of Exhibit C**

**SSBCI Sample Form for Demographics-Related Data**

Legal name of investee: \_\_\_\_\_

This transaction is supported with funding provided through the State Small Business Credit Initiative (SSBCI), a federal program that supports small business lending and investment programs in states, the District of Columbia, territories, and Tribal governments (collectively, “participating jurisdictions”). SSBCI programs are designed to expand access to capital, promote economic resiliency, and create new jobs and economic opportunity.

Filling out this form and providing demographic information is optional; you are not required to provide the requested information but are encouraged to do so. The entity collecting this information cannot discriminate on the basis of whether you provide this information, or based on any information provided on this form. If you decline to provide this information, you will not be adversely affected.

The demographics-related information collected can only be used for purposes of the SSBCI program and must not be used for any other purposes (e.g., marketing, sale to third parties). The information collected must also not be used in a manner that violates any applicable anti-discrimination laws, including, but not limited to, the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI), 42 U.S.C. § 2000d-1 et seq., and Treasury’s implementing regulations, 31 C.F.R. part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. § 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. § 1681 et seq., and Treasury’s implementing regulations, 31 C.F.R. part 28; the Age Discrimination Act of 1975, 42 U.S.C. § 6101 et seq., and Treasury’s implementing regulations at 31 C.F.R. part 23.

If you believe you were discriminated against in connection with the provision of the information provided on this form, contact: Director, Office of Civil Rights and Diversity, U.S. Department of the Treasury, 1500 Pennsylvania Ave, N.W., Washington, DC 20220, or by email at [crcomplaints@treasury.gov](mailto:crcomplaints@treasury.gov).

**Investee is encouraged to answer all of the questions below.**

This information is being collected to help ensure that communities’ small business credit needs are being fulfilled and allow SSBCI to analyze the populations that SSBCI funding is benefiting.

<b>1. Minority-owned or controlled business status</b>
For purposes of this form, minority individual means a natural person who identifies as American Indian or Alaska Native; Asian American; Black or African American; Native Hawaiian or Other Pacific Islander; Hispanic or Latino/a; or one or more than one of these groups.
For purposes of this form, an investee is a minority-owned or controlled business if the business meets one or more of the following: (1) if privately owned, 51 percent or more is owned by minority individuals; (2) if publicly owned, 51 percent or more of the stock is owned by minority individuals;

<p>(3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of minority individuals; or</p> <p>(4) one or more minority individuals have the power to exercise a controlling influence over the business.</p>			
<p><b>Is the investee a minority-owned or controlled business?</b></p>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to respond
<p><b>2. Women-owned or controlled business status</b></p>			
<p>For purposes of this form, an investee is a women-owned or controlled business if the business meets one or more of the following:</p> <p>(1) if privately owned, 51 percent or more is owned by females;</p> <p>(2) if publicly owned, 51 percent or more of the stock is owned by females;</p> <p>(3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of females; or</p> <p>(4) one or more individuals who are females have the power to exercise a controlling influence over the business.</p>			
<p><b>Is the investee a women-owned or controlled business?</b></p>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to respond
<p><b>3. Veteran-owned or controlled business status</b></p>			
<p>For purposes of this form, an investee is a veteran-owned or controlled business if the business meets one or more of the following:</p> <p>(1) if privately owned, 51 percent or more is owned by veterans;</p> <p>(2) if publicly owned, 51 percent or more of the stock is owned by veterans;</p> <p>(3) in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of veterans; or</p> <p>(4) one or more individuals who are veterans have the power to exercise a controlling influence over the business.</p>			
<p><b>Is the applicant a veteran-owned or controlled business?</b></p>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Prefer not to respond

**Each principal owner of the investee is encouraged to answer the questions below.**

This information is being collected to help ensure that communities' small business credit needs are being fulfilled and allow SSBCI to analyze the populations that SSBCI funding is benefiting.

For purposes of this form, a principal owner of the investee is a natural person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity of the business. If a trust owns, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, 25 percent or more of the equity interests of the business, the trustee is a principal owner.

For each principal owner of the investee, indicate which of the following categories the principal owner identifies with. Submit a separate copy of this table for each principal owner of the investee (up to four).

<p><b>1. Ethnicity</b></p> <p><input type="checkbox"/> Hispanic or Latino/a <span style="margin-left: 200px;"><input type="checkbox"/> Not Hispanic or Latino/a</span></p> <p><input type="checkbox"/> Prefer not to respond</p>			
<p><b>2. Race (select all that apply)</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none; vertical-align: top;"> <input type="checkbox"/> American Indian or Alaska Native   <input type="checkbox"/> Asian  <div style="margin-left: 20px;"><input type="checkbox"/> Indian</div> <div style="margin-left: 20px;"><input type="checkbox"/> Chinese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Filipino</div> <div style="margin-left: 20px;"><input type="checkbox"/> Japanese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Korean</div> <div style="margin-left: 20px;"><input type="checkbox"/> Vietnamese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Asian (Other)</div> </td> <td style="width: 50%; border: none; vertical-align: top;"> <input type="checkbox"/> Black or African American   <input type="checkbox"/> Native Hawaiian or Other Pacific Islander  <div style="margin-left: 20px;"><input type="checkbox"/> Guamanian or Chamorro</div> <div style="margin-left: 20px;"><input type="checkbox"/> Native Hawaiian</div> <div style="margin-left: 20px;"><input type="checkbox"/> Samoan</div> <div style="margin-left: 20px;"><input type="checkbox"/> Pacific Islander (Other)</div> <input type="checkbox"/> White   <input type="checkbox"/> Prefer not to respond         </td> </tr> </table>		<input type="checkbox"/> American Indian or Alaska Native  <input type="checkbox"/> Asian <div style="margin-left: 20px;"><input type="checkbox"/> Indian</div> <div style="margin-left: 20px;"><input type="checkbox"/> Chinese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Filipino</div> <div style="margin-left: 20px;"><input type="checkbox"/> Japanese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Korean</div> <div style="margin-left: 20px;"><input type="checkbox"/> Vietnamese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Asian (Other)</div>	<input type="checkbox"/> Black or African American  <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <div style="margin-left: 20px;"><input type="checkbox"/> Guamanian or Chamorro</div> <div style="margin-left: 20px;"><input type="checkbox"/> Native Hawaiian</div> <div style="margin-left: 20px;"><input type="checkbox"/> Samoan</div> <div style="margin-left: 20px;"><input type="checkbox"/> Pacific Islander (Other)</div> <input type="checkbox"/> White  <input type="checkbox"/> Prefer not to respond
<input type="checkbox"/> American Indian or Alaska Native  <input type="checkbox"/> Asian <div style="margin-left: 20px;"><input type="checkbox"/> Indian</div> <div style="margin-left: 20px;"><input type="checkbox"/> Chinese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Filipino</div> <div style="margin-left: 20px;"><input type="checkbox"/> Japanese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Korean</div> <div style="margin-left: 20px;"><input type="checkbox"/> Vietnamese</div> <div style="margin-left: 20px;"><input type="checkbox"/> Asian (Other)</div>	<input type="checkbox"/> Black or African American  <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <div style="margin-left: 20px;"><input type="checkbox"/> Guamanian or Chamorro</div> <div style="margin-left: 20px;"><input type="checkbox"/> Native Hawaiian</div> <div style="margin-left: 20px;"><input type="checkbox"/> Samoan</div> <div style="margin-left: 20px;"><input type="checkbox"/> Pacific Islander (Other)</div> <input type="checkbox"/> White  <input type="checkbox"/> Prefer not to respond		
<p><b>3. Middle Eastern or North African Ancestry</b></p> <p><input type="checkbox"/> Middle Eastern or North African <span style="margin-left: 200px;"><input type="checkbox"/> Not Middle Eastern or North African</span></p> <p><input type="checkbox"/> Prefer not to respond</p>			
<p><b>4. Gender</b></p> <p><input type="checkbox"/> Female</p> <p><input type="checkbox"/> Male</p> <p><input type="checkbox"/> Nonbinary</p> <p><input type="checkbox"/> Prefer to self-describe:</p> <p>_____</p> <p><input type="checkbox"/> Prefer not to respond</p>	<p><b>5. Sexual Orientation</b></p> <p><input type="checkbox"/> Gay or lesbian</p> <p><input type="checkbox"/> Bisexual</p> <p><input type="checkbox"/> Straight, that is, not gay, lesbian, or bisexual</p> <p><input type="checkbox"/> Something else</p> <p><input type="checkbox"/> Prefer not to respond</p>		
<p><b>6. Veteran Status</b></p> <p><input type="checkbox"/> Veteran <span style="margin-left: 200px;"><input type="checkbox"/> Not-veteran</span></p> <p><input type="checkbox"/> Prefer not to respond</p>			