(1) The group, or for a non-member-ship group the organizing or operating body of the group, is primarily com-posed of individuals who would be fi-nancially eligible for LSC-funded legal assistance; or
(2) The group has as a principal activ-ity the delivery of services to those persons in the community who would be financially eligible for LSC-funded legal assistance and the legal assistance sought relates to such activity.

(b)(1) In order to make a determina-tion that a group, corporation, associa-tion or other entity is eligible for legal services as required by paragraph (a) of this section, a recipient shall consider the resources available to the group, such as the group’s income and income prospects, assets and obligations and either:
(i) For a group primarily composed of individuals who would be financially eligible for LSC-funded legal assistance, whether the financial or other socio-economic characteristics of the persons comprising the group are consistent with those of persons who are financially eligible for LSC-funded legal assistance; or
(ii) For a group having as a principal activity the delivery of services to those persons in the community who would be financially eligible for LSC-funded legal assistance, whether the financial or other socio-economic characteristics of the persons served by the group are consistent with those of persons who are financially eligible for LSC-funded legal assistance.

A recipient shall collect informa-tion that reasonably demonstrates that the group, corporation, association or other entity meets the eligibility criteria set forth herein.

(c) The eligibility requirements set forth herein apply only to legal assistance supported by funds from LSC, provided that any legal assistance provided by a recipient, regardless of the source of funds supporting the assistance, must be otherwise permissible under applicable law and regulation.

§ 1611.8 Change in financial eligibility status.
(a) If, after making a determination of financial eligibility and accepting a client for service, the recipient be-comes aware that a client has become financially ineligible through a change