

# CALIFORNIA BROADBAND LOAN LOSS RESERVE FUND

## *Supporting Public Broadband Networks in California*

### WHAT IS THE CALIFORNIA BROADBAND LOAN LOSS RESERVE FUND?

The California Broadband Loan Loss Program is a new \$750 million fund. It will support local governments and nonprofits with the financing for building broadband infrastructure. Specifically, it will provide credit enhancements that will enable more favorable terms when they borrow money from bond markets and financial institutions.

### HOW DOES THE LOAN LOSS PROGRAM WORK?

The Broadband Loan Loss Reserve Fund Program enables public broadband investment by encouraging lenders or investors to invest in the California broadband market by providing protection against a certain percentage of the lender's risk of loss in a given financial transaction.

By guaranteeing local agency bonds, pooling risks, and negotiating on behalf of all local agencies, the Loan Loss Program lowers borrowing costs for local agencies and provides investors with the certainty they need to invest in public broadband.

Requirements are being developed through California Public Utilities Commission Rulemaking (R.) 20-08-021 and a staff proposal will be released in the third quarter of 2022.

### ELIGIBLE ENTITIES PER PUBLIC UTILITIES CODE 281.2

Non-Profits and Local Government Agencies, which includes:

- Counties
- County Service Areas
- Community Service Districts
- Public Utility Districts
- Municipal Utility Districts
- Joint Powers Authorities
- Local Educational Agencies
- Sovereign Tribal Governments
- Electrical Cooperatives

### COVERED COSTS

- Costs of debt issuance
- Credit enhancement
- Funding of reserves

**WHERE CAN I APPLY?** To learn more about the California Broadband Loan Loss Program:

 **VISIT** the Loan Loss Reserve Webpage **TODAY**

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California Public  
Utilities Commission

505 Van Ness Ave.  
San Francisco, CA 94102

415-703-2782  
800-848-5580 (Toll Free)

[cpuc.ca.gov](http://cpuc.ca.gov)