



Broadband Loan Loss Reserve Fund

Proposed Decision Voted On and Approved

Overview – CASF proceeding R.20-08-021

In 2021, SB 156 established the Broadband Loan Loss Reserve Fund in the State Treasury. The State will continuously appropriate moneys in this fund to the California Public Utilities Commission (CPUC) to fund costs related to financing the deployment of broadband infrastructure by a local government agency, nonprofit organization or tribal sovereign government, including but not limited to payment of costs of debt issuance, obtaining credit enhancement, and establishing the funding of reserves for payment of principal and interest on the debt.

Timeline

- **The Proposed Decision addressing staff proposal on establishment of a Broadband Loan Loss Reserve fund was issued - September 28, 2023**
- **Comments on the Proposed Decision were received - October 18, 2023**
- **Reply Comments on the Proposed Decision were received - October 23, 2023**
- **The Proposed Decision was approved by the CPUC - November 2, 2023**

Proposed Program Key Elements

- SB 156 allocates \$750 million to the Loan Loss Reserve Fund, with no expiration date. \$175M appropriated for fiscal years 2023-2024. Estimated appropriations of \$300M for fiscal years 2024-2025 and \$275M for fiscal years 2025-2026.
- The CPUC offers equal funding cycles three times per calendar year for four-month cycles based on the amount available in the Debt Service Reserve Guarantee.
- Each funding cycle will be equally split between a General Market Track (40%) (open to all applicants), a Tribal Track (10%) (open to Sovereign Tribal Governments), and an Equity Track (50%) (open to projects serving SB 535 Disadvantaged Communities and Low-Income Areas, including Tribes).
- The Debt Service Reserve Guarantee will be awarded based on a bond's principal coverage between 1% and 100%.
- The CPUC will not restrict Loan Loss Program financing to unserved areas and will allow for financing in adjacent undeserved and served communities.
- The CPUC will score all applications on a 100-point scoring system based on coverage requested, whether the project area will benefit a portion of unserved locations, offering a low-cost plan, and infrastructure life.

Links

- [Final Decision and Loan Loss Reserve Program Requirements and Guidelines.](#)
- [Loan Loss Reserve Fund Webpage.](#)
- Documents and public comments related to R.20-08-021 can be found on [the docket card](#).
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