COMMUNICATIONS DIVISION – BROADBAND REGIONAL INITIATIVES

Broadband Loan Loss Reserve Program

Direct Loans and Bridge Loans

July 2026

What?

The Broadband Loan Loss Reserve Program (LLP) was updated to support direct loans and bridge financing. The updates make available $50 million in existing LLP funds for direct loans, bridge financing and credit enhancements to eligible Tribal governments, government agencies, joint power authorities, and nonprofits.

Bridge Financing (Short-Term Loans)

The updated LLP includes an expedited process to award bridge financing to qualified last mile broadband grantees. The expedited process is to support last mile Federal Funding Account (FFA) awardees with urgent financing needs.

FFA grants are generally disbursed on a cost-incurred reimbursement basis; awardees must spend first, then apply for reimbursement. This can create cash flow gaps that can stall the construction of much-needed broadband infrastructure. LLP Bridge Financing can provide short-term capital to cover that gap.

FFA grantees can secure Bridge Loan amounts up to 25% of FFA project grant for up to a 3-year term at 1% interest.

Other Direct Loans

Tribal governments, government agencies, joint power authorities, and nonprofits can apply for direct loans under the updated LLP. Direct loans would be considered and awarded through the Commission's notice and comment Resolution process.

Next steps

The Communications Division will publish Bridge Financing and Direct Loan application materials and provide more information on the process in 2026. Subscribe to the Loan Loss Reserve Fund mailing list for updates.

More Information

- Link to CPUC Direct Loan program page: Loan Loss Reserve Fund