



TIFIA Rural Project Initiative (RPI)

The Rural Project Initiative is a loan program to help improve transportation infrastructure in America's rural communities.

Rural communities frequently find it challenging to pay for critical infrastructure projects, which are key to improving the economy and the quality of life of all Americans. Without adequate roads, bridges, tunnels, freight and transit systems, and airports, rural communities often lack efficient transportation access to medical care, education, work, or even grocery stores. Clearly there is a need to improve rural roads - according to the Federal Highway Administration, roughly 40 percent of county roads are inadequate for current travel [\[1\]](#), and 38,000 rural bridges longer than 20 feet are structurally deficient [\[2\]](#).

The DOT's Build America Bureau provides loans in support of a variety of transportation projects across the nation. The Rural Project Initiative (RPI) makes [Transportation Infrastructure Finance and Innovation Act](#) (TIFIA) financing accessible to small communities and emphasizes rural America's transportation needs, offering significant benefits and savings to project sponsors.

Under this initiative, if your community is in a qualified rural area and you have an eligible project between **\$10 million and \$100 million in total cost**, we can offer significant savings over traditional TIFIA loans and commercial financing products, including:

- Loans for up to 49 percent of the project's eligible costs (compared to 33 percent under traditional TIFIA).
- Fixed interest rates equal to one half of the U.S. Treasury rate of equivalent maturity of the loan at the time of closing (traditional TIFIA loans have interest rates equal to the U.S. Treasury rate).
- For projects under \$75 million in total cost, we can waive advisor fees, which can amount to hundreds of thousands of dollars (available funding for this benefit is limited and we can only do this while they last).

Eligible projects include:

- Roads, bridges and tunnels
- Transit systems including infrastructure, bus and train stations, and buses and passenger rail vehicles and facilities
- Transit-oriented Development (TOD)

- Intermodal connectors
- Pedestrian and bicycle infrastructure
- Freight transfer facilities
- Sea and inland waterway ports
- Airports

For this program, communities qualify as rural if outside an urban area or within an urban area that has less than 150,000 population per the 2020 Census.

Financing a project is often more economical than waiting until all funding is secured since construction escalation costs are often up to 10 percent or more each year.

It is important to note that Federal funding or financing triggers certain requirements (NEPA, Buy America, Davis-Bacon wage rates, etc.) that can add development time and increase project costs versus non-Federally funded projects. The Build America Bureau staff can help sponsors understand and navigate these requirements.

Interested in exploring RPI? Please contact us at BuildAmerica@dot.gov.

Frequently Asked Questions About the Rural Project Initiative

How is a rural area defined?

For the purposes of this initiative, a rural project is one that is not located in an urban area or if it is, the urban area has a population less than 150,000 individuals as determined by the Bureau of Census. You can check eligibility using this [map](#), select "Office of the Transportation Secretary (OST) Programs" in the layers and enter the address you wish to check.

What are some of the regulatory and programmatic requirements involved in the Rural Projects Initiative?

- National Environmental Policy Act, otherwise known as NEPA
- Buy America
- Davis Bacon Act, which establishes prevailing wage rates for all federally funded or assisted projects
- Title VI (Civil Rights Act)
- Project requires an investment grade rating from a nationally recognized statistical rating agency (e.g., Fitch, Moody's, S&P, etc.)

Who is eligible to use the RPI?

- State and local governments
- Transit agencies
- Private entities

- Special Authorities such as government sponsored corporations
- Transportation improvement districts
- State Infrastructure Banks

Why will DOT only finance 49 percent of eligible project costs?

The maximum amount the program can loan to a project is limited by statute to 49 percent of the eligible project costs.

What can I do if the project is not in a rural area?

TIFIA loans are available to finance projects outside rural areas, however, a non-rural project would not be eligible for the benefits of the RPI. TIFIA nonetheless may still be a very attractive financing option.

Can we use Federal money to cover the other 51 percent of project costs?

TIFIA financing is often used in conjunction with other Federal grant and other funding programs. The maximum allowable Federal share (funding and financing) of project costs is 80 percent.

What other resources are available to rural communities?

The ROUTES program is a great resource for rural communities. Please visit the website for more information: <https://www.transportation.gov/rural>.

Applying

Overview

TIFIA provides low-interest loans with flexible terms to help finance your project.

The process generally begins when you [schedule an Initial Consultation](#) with Bureau staff. From there, our team will work with project sponsors to complete the first official document in the process, the [Letter of Interest](#) (LOI). Once you submit the LOI, we begin evaluating the creditworthiness of your project in advance of inviting you to apply.

Below, you'll find publications, loan document templates, and the necessary application materials for prospective applicants and borrowers.

Guidance

Review and Approval Process

The TIFIA statute establishes a multi-step process for TIFIA credit assistance. Project sponsors considering TIFIA are encouraged to review this process as part of their decision-making.

- [TIFIA Review and Approval](#)

Bureau Credit Programs Guide

The Build America Bureau Credit Programs Guide is a comprehensive document describing the purpose of the TIFIA and RRIF credit programs and how the USDOT administers them. We strongly encourage prospective borrowers to read this guide or contact the Bureau before submitting a Letter of Interest.

- [Bureau Credit Programs Guide](#) (Last Updated: March 2017)

TIFIA Loan Agreements

The template TIFIA Loan Agreements have been updated to reflect current USDOT's credit policies. Links to the updated versions of both templates are provided below. The execution of a credit agreement and subsequent disbursement of funds to a project are subject to satisfactory completion of the USDOT's creditworthiness evaluation and the agreement of terms and conditions acceptable to the USDOT. The credit agreement is the definitive agreement between the USDOT and the borrower (and the guaranteed lender, if applicable) containing all terms and conditions pursuant to which the disbursement of TIFIA credit assistance is provided.

- **TIFIA Loan Agreement Sample Template for Public Entity Projects** ([DOC](#)) (Last Updated: May 2018)
- **TIFIA Loan Agreement Sample Template for P3 Projects** ([DOC](#)) (Last Updated: July 2014)

Letter of Interest and Application Forms

- [Letter of Interest](#)
- [Application](#)

Build America Bureau Credit Programs Office
US Department of Transportation
1200 New Jersey Avenue, SE
Room W12-426
Washington, DC 20590

Email:

BuildAmerica@dot.gov

Phone: [202-366-2300](tel:202-366-2300)

Business Hours:

9:00am-5:00pm ET, M-F

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