



Transportation Infrastructure Finance and Innovation Act (TIFIA)

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified projects of regional and national significance. Many surface transportation projects - highway, transit, railroad, intermodal freight, airport and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital. Each dollar of Federal funds can provide up to \$15 in TIFIA credit assistance and support up to \$50 in transportation infrastructure investment.

Program Overview

News you can use - transit and transit-oriented development projects can borrow up to 49 percent with [TIFIA 49](#)

Looking for information on TOD project financing? Visit this [page](#).

Highlights of TIFIA

- Low interest rate
- Interest does not accrue until proceeds are drawn
- Flexible amortization
 - Up to 35 year repayment period (*New Bipartisan Infrastructure Law allows up to 75 years for some projects*)
 - Deferrable for five years after substantial project completion
- No pre-payment penalty

Overview

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified projects of regional and national significance. Many large-scale, surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities.

The TIFIA credit program is designed to:

Fill market gaps and leverage substantial private co-investment through supplemental, subordinate investment in critical improvements to the nation's transportation system.

TIFIA credit assistance is often available on more advantageous terms than in the financial market, making it possible to obtain financing for needed projects when that financing might not otherwise be available.

For more information, please see the [TIFIA Credit Program Overview](#), which summarizes the basic purpose, processes and historical activity of the program.

*******Important Notice:** Some projects may require additional analysis to be eligible for financing. Click [here](#) to learn more.*****

Projects that have completed Letters of Interest or Applications can be viewed on the [Project Information Page](#).

Credit Assistance & Benefits

The TIFIA credit program offers three distinct types of financial assistance designed to address the varying requirements of projects throughout their life cycles:

Secured (direct) loan - Offers flexible repayment terms and provides combined construction and permanent financing of capital costs. Maximum term of 35 years from substantial completion. Repayments can start up to five years after substantial completion to allow time for facility construction and ramp-up.

Loan guarantee - Provides full-faith-and-credit guarantees by the Federal Government and guarantees a borrower's repayments to non-Federal lender. Loan repayments to lender must commence no later than five years after substantial completion of project.

Standby line of credit - Represents a secondary source of funding in the form of a contingent Federal loan to supplement project revenues, if needed, during the first 10 years of project operations, available up to 10 years after substantial completion of project.

The amount of Federal credit assistance may not exceed 33 percent of total reasonably anticipated eligible project costs.

The exact terms for each loan are negotiated between the USDOT and the borrower, based on the project economics, the cost and revenue profile of the project, and any other relevant factors. For example, USDOT policy does not generally permit equity investors to receive project returns unless the borrower is current on TIFIA interest payments.

TIFIA interest rates are equivalent to Treasury rates. Depending on market conditions, these rates are often lower than what most borrowers can obtain in the private markets. Unlike private commercial loans with variable rate debt, TIFIA interest rates are fixed.

Overall, borrowers benefit from improved access to capital markets and potentially achieve earlier completion of large-scale, capital intensive projects that otherwise might be delayed or not built at all because of their size and complexity and the market's uncertainty over the timing of revenues.

[Chapter 2 of the Build America Bureau's Programs Guide](#) provides further detail on TIFIA credit instruments and other funding issues.

TIFIA Lite

Historically, TIFIA has been a useful tool for large, complex transportation infrastructure projects that needed low-cost financing. TIFIA is a flexible tool that allows borrowers to customize their loan terms and amortization. However, this flexibility can prolong the application process due to the custom negotiations the Bureau and its advisors undertake with each borrower.

With TIFIA Lite, experienced borrowers with strong credit and small, shovel-ready projects can access an expedited application process. By agreeing to use a loan template with standard terms and forgoing the typical negotiation process, borrowers can access the traditional benefits of TIFIA (low interest rate, payment deferral up to five years, no pre-payment penalties, etc.) with a shorter review process. Projects eligible for TIFIA Lite can be approved up to six months faster than an average TIFIA application. Eligible projects can receive up to a \$100 million loan.

Borrower Eligibility	Project Eligibility
<ul style="list-style-type: none">• Public or publicly-sponsored entity	<ul style="list-style-type: none">• Shovel-ready with all permits and licensing completed
<ul style="list-style-type: none">• Experienced with debt financing, such as prior TIFIA, RRIF, or commercial loans	<ul style="list-style-type: none">• Investment grade rating from a nationally-recognized agency
<ul style="list-style-type: none">• Willing to accept the terms of the standard TIFIA loan agreement template with little to no negotiation	<ul style="list-style-type: none">• Loan repayment source must be a general obligation pledge, dedicated tax revenue pledge, or government appropriations

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](#)

Eligibility

Any type of project that is eligible for Federal assistance through existing surface transportation programs (highway projects and transit capital projects) is eligible for the TIFIA credit program, including intelligent transportation systems (ITS). In addition, the following types of projects are eligible: international bridges and tunnels; intercity passenger bus and rail facilities and vehicles; publicly owned freight rail facilities; private facilities providing public benefit for highway users; intermodal freight transfer facilities; projects that provide access to such facilities; service improvements on or adjacent to the National Highway System; and projects located within the boundary of a port terminal under certain conditions.

An eligible project must be included in the applicable State Transportation Improvement Program. Major requirements include a capital cost of at least \$50 million (or 33.3 percent of a state's annual apportionment of Federal-aid funds, whichever is less) or \$15 million in the case of ITS. TIFIA credit assistance is limited to a maximum of 33 percent of the total eligible project costs. Senior debt must be rated investment grade. The project also must be supported in whole or in part from user charges or other non-Federal dedicated funding sources and be included in the state's transportation plan. Applicable Federal requirements include, but are not limited to Titles 23 and 49 of the U.S. Code, NEPA, Buy America provisions, and the Civil Rights and Uniform Relocation Acts.

Qualified projects are evaluated by the Secretary against eight statutory criteria, including among others, impact on the environment, significance to the national transportation system, and the extent to which they generate economic benefits, leverage private capital, and promote innovative technologies.

Further information on project and applicant eligibility is available in [Chapter 3 of the TIFIA Program Guide](#).

The TIFIA Program Guide also contains more detailed information on:

- The TIFIA application process
- The project evaluation and selection process
- Contractual documents, closing activities, and ongoing oversight and monitoring activities
- Special issues related to loan guarantees

Review and Approval Process

The TIFIA statute establishes a multi-step process for TIFIA credit assistance beginning with the submission of a letter of interest (LOI).

The **initial LOI eligibility review** is intended to identify major statutory, regulatory, financing or timing issues that would prevent the project from receiving TIFIA assistance. The estimated time frame for the initial review is approximately 30 days, assuming that the Department receives all information as requested.

Next, the **creditworthiness review** involves evaluation of the plan of finance, financial model, and feasibility of the pledged revenue. The estimated time frame for the creditworthiness review is between 45 to 90 days after receipt of all requested information.

If a project satisfies all of the statutory eligibility criteria, including creditworthiness, the Department will invite the project sponsor to apply for TIFIA credit assistance. The **application review** will include review of project documents, notification of whether the application is complete or whether additional materials are needed, and approval or disapproval of the application. We estimate that the time frame for approval is no more than 90 days after receipt of the application.

If an application is approved, credit and business terms for the financing are negotiated and the loan agreement is drafted. The estimated time frame for execution of a credit agreement, on terms acceptable to the Secretary of Transportation, is approximately 60 days from approval of the application.

To view a list of projects in the review process please [search our projects](#).

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

TIFIA Credit Program Overview

The following information is a summary of the Bureau's credit programs. For more detailed information, please review the full [Credit Programs Guide](#).

Transportation Infrastructure Finance and Innovation Act (TIFIA)

Background on TIFIA

- **Strategic goal** - to leverage limited Federal resources and stimulate capital market investment in transportation infrastructure by **providing credit assistance in the form of direct loans, loan guarantees, and standby lines of credit** (rather than grants) to projects of national or regional significance.
- **Key objectives**
 - Facilitate projects with significant public benefits
 - Encourage new revenue streams and private participation
 - Fill capital market gaps for secondary/subordinate capital
 - Be a flexible, "patient" investor willing to take on investor concerns about investment horizon, liquidity, predictability and risk
 - Limit Federal exposure by relying on market discipline
- **Major requirements**
 - **Minimum Anticipated Project Costs** –
 - \$10 million for Transit-Oriented Development, Local, and Rural Projects
 - \$15 million for Intelligent Transportation System Projects
 - \$50 million for all other eligible Surface Transportation Projects
 - **TIFIA Credit Assistance Limit** – Credit assistance limited to 33 percent of reasonably anticipated eligible project costs (unless the sponsor provides a compelling justification for up to 49 percent, the project meets certain rural, transit or transit-oriented development eligibility or is part of the Rural/INFRA/Mega grant Extra programs)
 - **Investment Grade Rating** – Senior debt and TIFIA loan must receive investment grade ratings from at least two nationally recognized credit rating agencies (only one rating required if less than \$75 million)
 - **Dedicated Repayment Source** – The project must have a dedicated revenue source pledged to secure both the TIFIA and senior debt financing
 - **Applicable Federal Requirements** – Including, but not limited to: Civil Rights, NEPA, Uniform Relocation, Buy America, Titles 23 and 49
- **Rolling application process** - Applicants must submit detailed letters of interest when a project is able to provide sufficient information to satisfy statutory eligibility requirements, such as creditworthiness and readiness to proceed; after invitation from the TIFIA Joint Program Office, a formal application is required

Eligible TIFIA Applicants and Projects

Applicants

- State Governments
- State Infrastructure Banks
- Private Firms
- Special Authorities
- Local Governments
- Transportation Improvement Districts

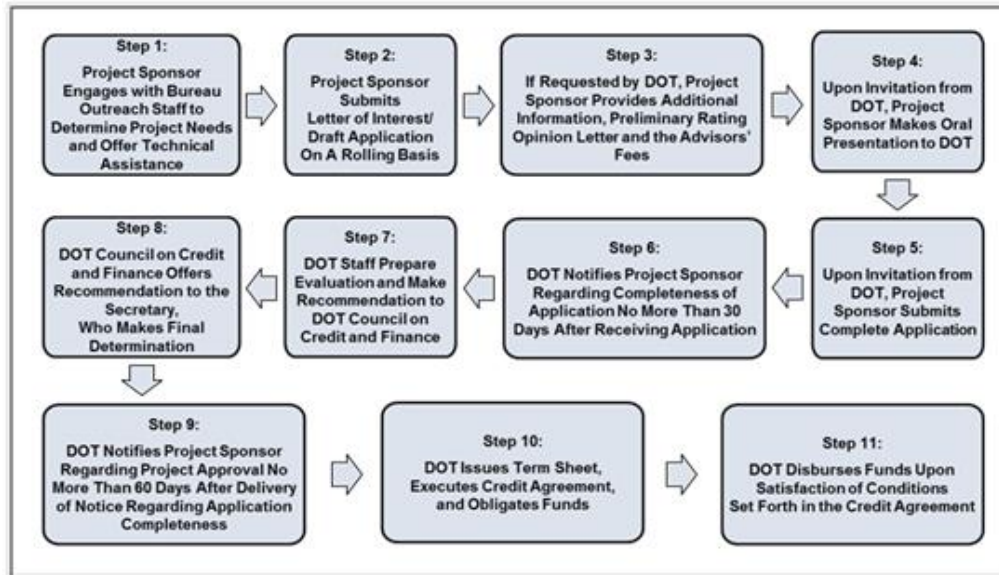
Projects

- Highways and Bridges
- Intelligent Transportation Systems
- Intermodal Connectors
- Transit Vehicles and Facilities
- Intercity Buses and Facilities
- Freight Transfer Facilities
- Pedestrian Bicycle Infrastructure Networks
- Transit-Oriented Development
- Rural Infrastructure Projects
- Passenger Rail Vehicles and Facilities
- Surface Transportation Elements of Port Projects
- Airports

Eligibility Requirements

1. Creditworthiness:
 1. Ability to satisfy applicable creditworthiness standards
 2. Rate covenant, if applicable
 3. Adequate coverage requirements to ensure repayment
 4. Ability to obtain investment grade ratings on senior debt
2. Foster partnerships that attract public and private investment for the project
3. Ability to proceed at an earlier date or reduced lifecycle costs (including debt service costs)
4. Reduces Contribution of Federal Grant Assistance for the Project
5. Construction contracting process can commence no more than 90 days from execution of a TIFIA credit instrument

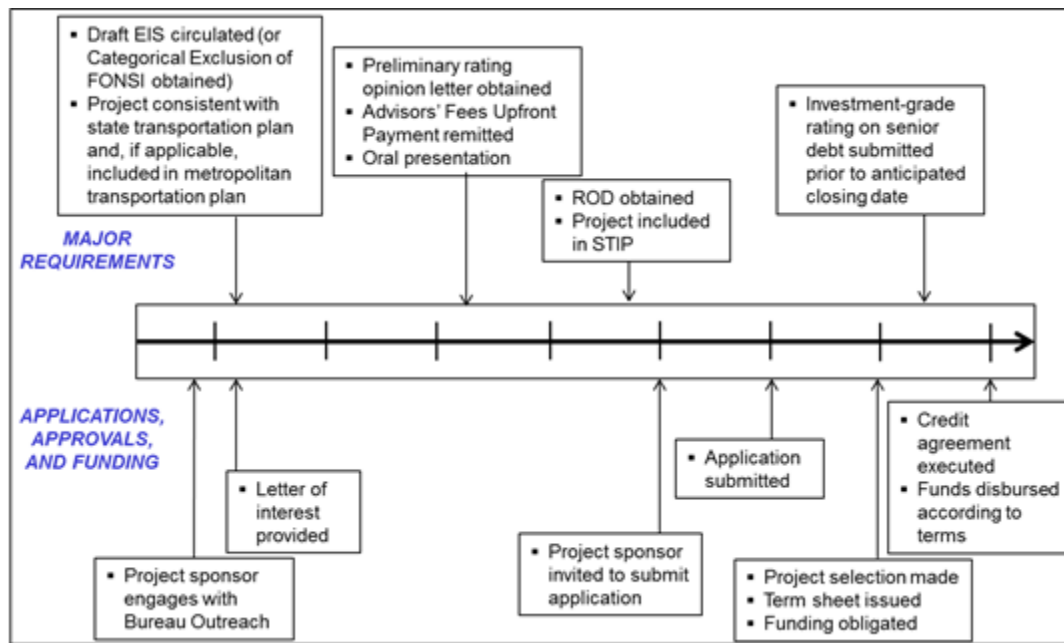
Program Implementation: Selection & Funding of a TIFIA Project



Text of Exhibit

1. Project Sponsor Engages with Bureau Outreach Staff to Determine Project Needs and Offer Technical Assistance
2. Project Sponsor Submits Letter of Interest/Draft Application on a Rolling Basis
3. If Requested by DOT, Project Sponsor Provides Additional Information, Preliminary Rating Opinion Letter and the Advisors' Fees
4. Upon Invitation from DOT, Project Sponsor Makes Oral Presentation to DOT
5. Upon Invitation from DOT, Project Sponsor Submits Complete Application
6. DOT Notifies Project Sponsor Regarding Completeness of Application No More Than 30 Days After Receiving Application
7. DOT Staff Prepare Evaluation and Make Recommendation to DOT Council on Credit and Finance
8. DOT Council on Credit and Finance Offers Recommendation to the Secretary, who Makes Final Determination
9. DOT Notifies Project Sponsor Regarding Project Approval No More Than 60 Days After Delivery of Notice Regarding Application Completeness
10. DOT Issues Term Sheet, Executes Credit Agreement, and Obligates Funds
11. DOT Disburses Funds Upon Satisfaction of Conditions set forth in Credit Agreement

TIFIA Documentation Requirements



Text of Exhibit

- Major Requirements - Draft EIS circulated (or Categorical Exclusion of FONSI obtained)
- Major Requirements - Project consistent with state transportation plan and, if applicable, included in metropolitan transportation plan
- Applications, Approvals, and Funding - Project sponsor engages with Bureau Outreach
- Applications, Approvals, and Funding - Letter of interest provided
- Major Requirements - Preliminary rating opinion letter obtained
- Major Requirements - Advisors' Fees Upfront Payment remitted
- Major Requirements - Oral presentation
- Major Requirements - ROD obtained
- Major Requirements - Project included in STIP
- Applications, Approvals, and Funding - Project sponsor invited to submit application
- Applications, Approvals, and Funding - Application submitted
- Applications, Approvals, and Funding - Project selection made
- Applications, Approvals, and Funding - Term sheet issued
- Applications, Approvals, and Funding - Funding obligated
- Major Requirements - Investment-grade rating on senior debt submitted prior to anticipated closing date
- Applications, Approvals, and Funding - Credit agreement executed
- Applications, Approvals, and Funding - Funds disbursed according to terms

TIFIA Program Fees

- Project sponsors must reimburse DOT for the costs of the outside advisors who advise TIFIA on the transaction.

- This transaction fee generally ranges between \$400,000 and \$700,000.
- Fee may vary significantly depending on the complexity of the project.
- Borrowers must pay an annual Loan Servicing Fee, due by November 15, of approximately \$13,000.
- DOT may also charge a Monitoring Fee as defined in the credit agreement (to date this fee has not been charged).

TIFIA 49 Initiative for Transit and Transit-Oriented Development

TIFIA 49 Allows Extra Financing for Transit and Transit-Oriented Development Projects

Read the TIFIA 49 news [release](#)!

For More information on Financing for Transit Oriented Development projects, please visit the TOD page: <https://www.transportation.gov/buildamerica/TOD>.

Secretary of Transportation Pete Buttigieg has approved transit and public transit-oriented development (TOD) projects to receive the maximum federal loan level authorized under law. The [Transportation Infrastructure Finance and Innovation Act \(TIFIA\) program](#) is designed to close funding gaps with low-cost, long-term financing and speed the delivery of infrastructure projects, which saves taxpayer dollars and improves transportation systems in communities. TIFIA 49 authorizes borrowing of up to 49 percent of eligible project costs for projects that meet eligibility requirements, helping advance the Biden-Harris Administration's goals. With few exceptions, TIFIA loans have historically been capped at 33 percent of eligible project costs. Click to view the TIFIA 49 fact sheet.

Currently, the Bureau offers rural projects and INFRA, Mega and Rural Grant "Extra" projects (highly rated projects through the grant programs that were not funded due to limited resources) financing up to 49 percent.

Sponsors of projects that include the activities listed below are eligible to apply for loans up to 49 percent of project costs under the TIFIA 49 initiative:

- Transit projects are those eligible for assistance under Chapter 53 of Title 49, U.S. Code and includes capital projects or associated improvement infrastructure or vehicles for public transportation systems, including but not limited to bus, subway, light rail, commuter rail, trolley, or ferry.

TOD projects are those eligible for assistance under 23 U.S.C. § 601(a)(12)(E), and include improving or building public infrastructure that is either (1) located within walking distance (approximately 1/2-mile) of, and accessible to, a fixed guideway transit facility, passenger rail station, intercity bus station, or intermodal facility, including transportation, public utility, or joint development projects, and related infrastructure; or (2) for economic development, including commercial and residential development, and related infrastructure and activities (a) that incorporate private investment; (b) that are physically or functionally related to a passenger

rail station or multimodal station that includes rail service; (c) for which the project sponsors have a high probability of commencing the contracting process for construction not later than 90 days after the date on which credit assistance under the TIFIA program is provided for the projects; and (d) that have a high probability of reducing the need for financial assistance under any other Federal program for the relevant passenger train station or service by increasing ridership, tenant lease payments, or other activities that generate revenue exceeding costs. The Bureau will conduct regular data-based assessments of the initiative's effectiveness through Key Performance Indicators (KPIs) and will make changes as appropriate.

Questions? Please take a look at these [Questions and Answers](#).

Contact the Bureau at BuildAmerica@dot.gov to discuss possible project financing.