



TIFIA Rural Project Initiative (RPI)

The Rural Project Initiative is aimed at helping improve transportation infrastructure in America's rural communities.

Rural communities frequently find it challenging to identify the financial resources required to fund 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, rural communities often lack efficient transportation access to medical care, get to school and work, or even the grocery store. And, clearly there is a need to improve our 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 Department of Transportation's Build America Bureau provides loans in support of a variety of transportation projects across the Nation. However, they have primarily been utilized for larger projects which are typically in more urbanized, metropolitan areas. Now we are making the Transportation Infrastructure Finance and Innovation Act (TIFIA) financing more accessible to small communities through the Rural Project Initiative. This new initiative places an emphasis on rural America's transportation needs and offers some significant benefits and savings to rural sponsors.

Under this initiative, if you are in a qualified rural area and have an eligible surface transportation project between \$10 million and \$100 million in cost, we can offer some significant savings over traditional TIFIA loans and other 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 at the time of closing).

In addition, if your eligible project is under \$75 million in cost, we can waive all the borrower fees, which often 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
- Intermodal connectors,
- Pedestrian and bicycle infrastructure,
- Freight transfer facilities,
- Sea and inland waterway ports, and even,
- Airports - under certain circumstances.

It is important to note that Federal funding or financing triggers certain requirements that can add to the time required and increase project costs over non-Federally funded projects. The Build America Bureau staff can help sponsors understand and navigate these requirements.

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 located outside of an urbanized area with a population greater than 150,000 individuals as determined by the Bureau of Census.

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 utilize 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 cost?

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.

[1] Data provided by the FHWA Office of Planning, Environment and Realty (HEP)

[2] Data provided by the FHWA Office of Bridges and Structures.

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](#)

Contact

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