



Water Infrastructure Finance and Innovation Act (WIFIA)

What is WIFIA?

The Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established the WIFIA program, a federal credit program administered by EPA for eligible water and wastewater infrastructure projects. WIFIA and the WIFIA implementation rule outline the eligibility and other requirements for prospective borrowers.

Eligibility

Eligible borrowers are:

- Local, state, and tribal government entities
- Partnerships and joint ventures
- Corporations and trusts
- Clean Water and Drinking Water State Revolving Fund (SRF) programs

The WIFIA program can fund development and implementation activities for eligible projects:

- Projects that are eligible for the [Clean Water SRF](#), notwithstanding the public ownership clause
- Projects that are eligible for the [Drinking Water SRF](#)
- Enhanced energy efficiency projects at drinking water and wastewater facilities
- Brackish or seawater desalination, aquifer recharge, alternative water supply, and water recycling projects
- Drought prevention, reduction, or mitigation projects
- Acquisition of property if it is integral to the project or will mitigate the environmental impact of a project
- A combination of projects secured by a common security pledge or submitted under one application by an SRF program

Eligible development and implementation activities are:

- Development phase activities, including planning, preliminary engineering, design, environmental review, revenue forecasting, and other pre-construction activities
- Construction, reconstruction, rehabilitation, and replacement activities
- Acquisition of real property or an interest in real property, environmental mitigation, construction contingencies, and acquisition of equipment

- Capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction

Important Program Features

- \$20 million: Minimum project size for large communities.
- \$5 million: Minimum project size for small communities (population of 25,000 or less).
- 49 percent: Maximum portion of eligible project costs that WIFIA can fund.
- Total federal assistance may not exceed 80 percent of a project's eligible costs.
- 35 years: Maximum final maturity date from substantial completion.
- 5 years: Maximum time that repayment may be deferred after substantial completion of the project.
- Interest rate will be equal to or greater than the [U.S. Treasury rate of a similar maturity](#) at the date of closing.
- Projects must be creditworthy and have a dedicated source of revenue.
- [NEPA](#), [Davis-Bacon](#), [American Iron and Steel](#), [Build America](#), [Buy America Act](#), and all other federal cross-cutter provisions apply.

[View a one-page summary of the WIFIA program \(pdf\)](#) (598.25 KB)

WIFIA Benefits

The WIFIA program offers loans with low, fixed interest rates and flexible financial terms. Borrowers and their customers benefit from significant cost saving.

- **A single fixed interest rate is established at closing.** A borrower may receive multiple disbursements over several years at the same fixed interest rate.
- **Interest rate is equal to the US Treasury rate of a similar maturity.** The WIFIA program sets its interest rate based on the U.S. Treasury rate on the date of loan closing. The rate is calculated using the weighted average (WAL) life of the loan rather than the loan maturity date. The WAL is generally shorter than the loan's actual length resulting in a lower interest rate.
- **Interest rate is not impacted by the borrower's credit or loan structure.** All borrowers benefit from the AAA Treasury rate, regardless of whether they are rated AA or BBB. The WIFIA program does not charge a higher rate for flexible financial terms.
- **Customized repayment schedules.** Borrowers can customize their repayments to match their anticipated revenues and expenses for the life of the loan. This flexibility provides borrowers with the time they may need to phase in rate increases to generate revenue to repay the loan.
- **Long repayment period.** WIFIA loans may have a length of up to 35 years after substantial completion, allowing payment amounts to be smaller throughout the life of the loan.
- **Deferred payment.** Payments may be deferred up to 5 years after the project's substantial completion.

- **Subordination.** Under certain circumstances, WIFIA may take a subordinate position in payment priority, increasing coverage ratios for senior bond holders.
- **WIFIA loans can be combined with various funding sources.** WIFIA loans can be combined with private equity, revenue bonds, corporate debt, grants, and State Revolving Fund (SRF) loans.

WIFIA Loan Process

The WIFIA Loan Process has three main phases – project selection, project approval, and project monitoring – with several steps within each phase. More detailed information about the WIFIA loan process can be found in the [WIFIA Program Handbook](#).

Phase 1: Project Selection

Each year, the WIFIA program receives an appropriation that replenishes the amount of funding that can be made available to prospective borrowers. With that appropriation, EPA also announces priorities that help the WIFIA program support the Agency’s mission and strategic goals. EPA announces this funding in a Notice of Funding Availability published in the [Federal Register](#). In the Letter of Interest (LOI), prospective borrowers provide information that EPA uses to determine the project’s eligibility, creditworthiness, engineering feasibility, and alignment with EPA’s policy priorities. Based on these reviews, EPA selects projects which it intends to fund and invites them to continue to the application process.

The LOI form and additional resources are available at [WIFIA Application Materials](#).

Phase 2: Project Approval

Each invitee must submit an application for WIFIA credit assistance. Using this information, the WIFIA program conducts a detailed evaluation of the project. EPA proposes terms and conditions for the project and negotiates with the applicant until they develop a mutually agreeable term sheet and loan agreement. Prior to closing, the WIFIA program must receive approval from the EPA Administrator or his designee and the Office of Management and Budget (OMB). At closing, EPA and the applicant execute the term sheet, which obligates the WIFIA funds, and the loan agreement, which is the binding legal document that allows the borrower to receive WIFIA funds.

The application and additional resources are available at [WIFIA Application Materials](#).

Phase 3: Project Monitoring

Following loan closing, borrowers must meet several requirements to receive funding and remain in compliance with the loan agreement. There are three main categories of project monitoring activities: disbursements, loan servicing, and loan monitoring. The executed loan agreement will identify specific requirements pertaining to each credit instrument.

Getting Started with the WIFIA Program

The WIFIA program is an EPA-operated bank that provides low-cost, flexible loans for water infrastructure projects across the country.

WIFIA loans support a wide variety of drinking water, wastewater, and stormwater projects. Eligible borrowers include public entities, private entities, and public-private partnerships. WIFIA loans can support a broad range of project costs, including project planning and design, construction, land and equipment acquisition, and more. Prospective borrowers can apply for and receive a single WIFIA loan or bundle multiple WIFIA loans under a single application for nearly any stage of project completion, including design-only loans.

Apply for WIFIA Funding

The WIFIA program has funding available year-round to meet borrower needs.

[Get information on the application process and materials.](#)

WIFIA Application Materials

In the letter of interest, the prospective borrower provides information to demonstrate its projects eligibility, financial creditworthiness, engineering feasibility, and alignment with EPA's policy priorities. If EPA selects the projects, then the prospective borrower is invited to submit an application. EPA will only select projects that it expects might reasonably proceed to closing.

WIFIA Letter of Interest Form

Prospective borrowers should submit a completed letter of interest form for their project to the WIFIA program. In the Letter of Interest, the prospective borrower provides information to demonstrate its projects eligibility, financial creditworthiness, engineering feasibility, and alignment with EPA's policy priorities.

- [Letter of Interest \(pdf\)](#) (1.67 MB)

WIFIA Letter of Interest Checklist

Prospective borrowers can use this checklist as a guide when completing the WIFIA Letter of Interest Form.

- [Letter of Interest Checklist \(pdf\)](#) (195.98 KB)

Sample Letter of Interest

This document serves as an example of a completed WIFIA Letter of Interest.

- [Sample Letter of Interest \(pdf\)](#) (1.72 MB)

Sample Financial Pro Forma

Prospective borrowers should provide a summary financial pro forma as part of their letter of interest submission. This document serves as an example of the type of information that prospective borrowers should include in the pro forma provided to the WIFIA program.

- [Sample Financial Pro Forma \(pdf\)](#) (24.55 KB)

SWIFIA Application Materials

- [SWIFIA Letter of Interest \(pdf\)](#) (1.1 MB)
- [SWIFIA Application \(docx\)](#) (102.65 KB)

WIFIA Application

If EPA selects the projects, then the prospective borrower is invited to submit an application. EPA will only select projects that it expects might reasonably proceed to closing. For the Section E spreadsheet, enable the macros when prompted so the document will be fully functional.

- [WIFIA Application \(docx\)](#) (1.53 MB)
- [WIFIA Application - Section E \(xls\)](#)

Upcoming WIFIA Program Events

EPA's WIFIA program hosts in-person and virtual events for prospective borrowers to foster a greater understanding of the WIFIA program requirements and pave the way for successful applications to the program.

Join EPA's upcoming events to learn more about the WIFIA program's financing opportunities.

Intended Audience:

- Prospective borrowers including municipal entities, tribes, corporations, partnerships, and State Revolving Fund programs
- Private and non-governmental organizations that support prospective borrowers

Upcoming Webinars

- **How to Apply for a WIFIA Loan**
 - When: Tuesday, October 8, 2024, from 2:00 p.m. to 3:00 p.m. (Eastern time)

- [Register](#)
- **How to Apply for a WIFIA Loan**
 - When: Thursday, October 17, 2024, from 2:00 p.m. to 3:00 p.m. (Eastern time)
 - [Register](#)
- **WIFIA Loans to State Infrastructure Financing Authorities**
 - When: Tuesday, November 12, 2024, from 2:00 p.m. to 3:00 p.m. (Eastern time)
 - [Register](#)

WIFIA Office Hours

WIFIA has Office Hours sessions as open forums for questions about WIFIA, the application process, and more. Click the registration link below for information and to sign up to attend:

- **WIFIA Office Hours:** [Wednesday, September 11, 2024, from 3:00 p.m. to 4:00 p.m. \(Eastern time\)](#)
- **WIFIA Office Hours:** [Wednesday, October 9, 2024, from 3:00 p.m. to 4:00 p.m. \(Eastern time\)](#)
- **WIFIA Office Hours:** [Wednesday, November 13, 2024, from 3:00 p.m. to 4:00 p.m. \(Eastern time\)](#)
- **WIFIA Office Hours:** [Wednesday, December 11, 2024, from 3:00 p.m. to 4:00 p.m. \(Eastern time\)](#)



The WIFIA program accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. The WIFIA program was established by the Water Infrastructure Finance and Innovation Act of 2014.

ELIGIBILITY

Eligible borrowers

- Local, state, tribal, and federal government entities
- Partnerships and joint ventures
- Corporations and trusts
- Clean Water and Drinking Water State Revolving Fund (SRF) programs

WIFIA can fund development and implementation activities for eligible projects

- Wastewater conveyance and treatment projects
- Drinking water treatment and distribution projects
- Enhanced energy efficiency projects at drinking water and wastewater facilities
- Desalination, aquifer recharge, and water recycling projects
- Acquisition of property if it is integral to the project or will mitigate the environmental impact of a project
- A combination of eligible projects secured by a common security pledge or submitted under one application by an SRF program

FUNDING AVAILABILITY

EPA announces WIFIA funding availability and application process details in the Federal Register and on its website.

IMPORTANT PROGRAM FEATURES



Minimum project size for large communities.



Minimum project size for small communities (population of 25,000 or less).



Maximum portion of eligible project costs that WIFIA can fund.



Maximum final maturity date from substantial completion.



Maximum time that repayment may be deferred after substantial completion of the project.



Interest rate will be equal or greater to the US Treasury rate of a similar maturity.



Projects must be creditworthy.



NEPA, Davis-Bacon, American Iron and Steel, Buy America, Build America, and all federal cross-cutter provisions apply.

	STAY IN TOUCH		
		WEBSITE: www.epa.gov/wifia	 EMAIL: wifia@epa.gov
		Sign-up to receive announcements about the WIFIA program at https://tinyurl.com/wifianews	