



Association for the Improvement
of American Infrastructure

SIMPLY STATED

TIFIA

The Transportation Infrastructure Finance and Innovation Act

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for some transportation projects and is administered by the Build America Bureau located within the US Department of Transportation. TIFIA provides eligible projects low interest rate loans, loan guarantees and standby lines of credit at the current US Treasury rate or half that rate for some rural projects. Loan borrowers can be state or local governments, public transit agencies, public special authorities, and private entities delivering public assets (P3s).

Originally, Congress created TIFIA to support large, complex projects - including P3 projects - that could not readily access capital through more traditional means. With the Federal government as a risk-sharing partner for these largescale projects, state agencies could undertake increasingly complex procurements to drive innovation, time and cost savings and other efficiencies.

TIFIA's low borrowing costs provide significant benefits to borrowers. Loans can have terms of up to 35-years with the flexibility to defer payments for up to 5 years following the project construction period. Additionally, there is no pre-payment penalty. These federal loans can cover 33% of the total project costs in most cases, with the ability to increase to 49% in special cases. The TIFIA program has supported many of the largest and most successful infrastructure projects in operation in the United States today, including most large-scale P3s.

Today, at the urging of Congress and many in the transportation industry, the Build America Bureau has been expanding TIFIA's eligibility and reach around the country. Much smaller projects are eligible, as are transit-oriented development projects and local infrastructure projects. With a keen focus on those States that have not utilized the TIFIA program or the Bureau's services in the past, the Bureau has expanded its outreach to help them understand the potential benefits of the TIFIA program.