Bureau Overview
The National Surface Transportation and Innovative Finance Bureau (the Build America Bureau or the Bureau) was established by the Secretary of Transportation on July 20, 2016, in accordance with the Fixing America’s Surface Transportation (FAST) Act.

The Bureau combines the TIFIA and RRIF loan programs, Private Activity Bonds (PABs), and the INFRA grant program all under one roof within the Office of the Undersecretary for Transportation for Policy.

The Bureau is organized into three groups:

- Outreach and Project Development
- Credit Programs
- INFRA Grants
Bureau Objectives

❖ Consolidate DOT’s key Finance Programs and finance expertise.
❖ Provide a one-stop shop for streamlining credit processes.
❖ Administer the DOT Credit and Grant programs, including project credit reviews, due diligence, loan negotiation and documentation.
❖ Provide project outreach and development assistance.
❖ Promote public-private partnerships.
❖ Advance large, complex, multi-modal, multi-jurisdictional projects.
❖ Utilize the expertise of DOT Operating Administrations.
Bureau Credit Programs
About TIFIA

The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) established a Federal credit program under the U.S. Department of Transportation (DOT) for eligible transportation projects.
Types of TIFIA Credit Assistance

❖ Secured (Direct) Loan
  ▪ Maximum term of 35 years from substantial completion
  ▪ Repayments must start within 5 years after substantial completion

❖ Loan Guarantee
  ▪ Guarantees a project sponsor’s repayments to non-Federal lender
  ▪ Loan repayments to lender must commence within 5 years after substantial completion

❖ Line of Credit
  ▪ Contingent loan available for draws as needed up to 10 years after substantial completion of project
TIFIA Portfolio Statistics

Since program inception, TIFIA has approved 77 loans totaling over $28 billion to stimulate over $102 billion of transportation infrastructure investments in 21 states (plus the District of Columbia & Puerto Rico).
eligible borrowers and projects (tifia)

borrowers

- state governments
- state infrastructure banks
- local governments
- special authorities
- transportation
- improvement districts
- private companies (with public planning sponsor)

projects

- highways and bridges
- intelligent transportation systems
- intermodal connectors
- transit vehicles and facilities
- intercity buses and facilities
- freight transfer facilities
- pedestrian and bicycle infrastructure networks
- transit-oriented development
- rural infrastructure projects
- passenger rail vehicles and facilities
- surface transportation elements of port projects

no operations
TIFIA Major Requirements

❖ Minimum anticipated project costs exceeding $10 million

❖ Limited to 33% of reasonably anticipated eligible project costs unless the sponsor provides a compelling justification for up to 49%

❖ Senior debt must receive two investment grade ratings (BBB-/Baa3) from nationally recognized credit rating agencies

❖ The project must be included in the relevant State’s transportation planning and programming cycle

❖ The project must have a dedicated revenue source, such as user fees or taxes, that are pledged to secure debt service payments for both the TIFIA and senior debt financing
TIFIA Approved Projects
(TIFIA Instruments in $Millions)

Number of Projects: 65
Total Assistance $26.2 billion
Total Project Investment: $95.3 billion
About RRIF

The Railroad Rehabilitation & Improvement Financing (RRIF) program was established by the Transportation Equity Act for the 21\textsuperscript{st} Century (TEA-21) and amended by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU) to provide direct loans and loan guarantees totaling up to $35 billion to finance development of railroad infrastructure.
Types of RRIF Credit Assistance

❖ Secured (Direct) Loan
  ▪ Maximum term of 35 years from substantial completion
  ▪ Repayments must start within 5 years after substantial completion

❖ Loan Guarantee
  ▪ Guarantees a project sponsor’s repayments to non-Federal lender
  ▪ Interest rate on a guaranteed loan must be reasonable and based on prevailing private capital market rates for similar credits
Eligible Borrowers and Projects (RRIF)

**BORROWERS**
- Railroads
- State and Local Govs
- Government sponsored authorities and corporations
- Interstate compacts (410(a)) Amtrak Reform and Acc. Act of 1997
- Limited option freight shippers
- Joint Ventures

**PROJECTS**
- Design/planning
- Freight Rail Facilities
- Freight Transfer Facilities
- FRA-Regulated Commuter Rail Facilities
- Passenger Rail Vehicles and Equipment
- Transit-Oriented Development
- “Intermodal” or Rail Equipment or Facilities
- Refinance of above

**NO OPERATIONS**
To date, RRIF has approved 36 loans to fund over $5 billion of infrastructure in 27 states.
TIFIA and RRIF Program Benefits

❖ Long term, fixed cost, permanent, up-front financing
❖ Borrower/Revenue source may be minimum investment grade
❖ Non recourse financing—project cash flow supported
❖ Funds drawn as needed
❖ Flexible amortization
❖ No pre-payment penalty
❖ Low interest rates

Low Interest Rate - Interest rate on 4/2/2018 was 2.99% for a 35-year loan
STEPS TO A TIFIA OR RRIF LOAN

Outreach
- Initial Engagement
  - Reach-outs and Referrals
  - Support Needs Assessed (Environmental, Mode Assistance Coordinated
  - Targeted Outreach
- Lead Assigned
  - CRT Votes to Assign Project Development Lead
  - Navigate Federal Processes
  - Sponsor Submits Letter of Interest

Project Development
- Creditworthiness
  - CRT Votes on Whether to Begin Assessment
  - Advisors Retained
  - Due Diligence
  - Loan Structured
- Application
  - CRT Votes on Whether to Invite Bureau Team
  - Bureau Team Confirms Complete to Applicant
- Recommendation
  - CRT Votes on Whether to Recommend
  - CCF Votes on Whether to Recommend
  - DOT Secretary Approves or Declines
  - Congress Notified (3 days)

Authorization
- Creditworthiness Check
- Application Review
- Recommendation Process

Implementation
- Delivery and Monitoring
  - Financing Documents Finalized
  - OMB Approves Credit Risk Premium
  - Funds Obligated
  - Congress Notified
  - Funds Disbursed
  - Construction Oversight
  - Repayments Received
  - Status Monitored

Loan Closing

Max 30 days per statute
Max 60 days per statute
90 days from application submission