

TIFIA 49 Question and Answers

What is TIFIA 49?

TIFIA 49 is an initiative of U.S. DOT to maximize available financing for certain eligible projects. Currently, rural projects and applicants that are highly rated but not awarded under several DOT discretionary grant programs* are eligible for TIFIA loans up to the maximum level permitted by law (49 percent of total costs whereas all other projects are eligible for up to 33 percent). TIFIA 49 expands that eligibility to transit and transit-oriented development (TOD) projects.

* INFRA, Mega and Rural.

What type of projects are eligible for TIFIA 49?

TIFIA 49 makes transit and transit-oriented development (TOD) projects eligible for loans up to 49 percent of total costs:

- Transit: projects eligible for assistance under Chapter 53 of Title 49, U.S. Code, i.e., such as capital projects and associated improvements or vehicles for transit systems, including but not limited to bus, subway, light rail, commuter rail, trolley, or ferry, etc.
- TOD projects are those eligible for assistance under 23 U.S.C. § 601(a)(12)(E), i.e., projects to improve or construct public infrastructure that are either (1) located within walking distance 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 by 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 rail station or service by increasing ridership, tenant lease payments, or other activities that generate revenue exceeding costs.
- For more information, please see [Transit Oriented Development - Guidance FAQs | Build America \(transportation.gov\)](#)

What type of entities are eligible to apply for TIFIA 49?

Eligible borrowers are the same as traditional TIFIA:

- State, tribal, county, municipal governments
- State Infrastructure Banks
- Private entities/developers
- Special authorities
- Transportation improvement districts

How does TIFIA 49 benefit sponsors of eligible projects?

The extra financing TIFIA 49 provides can benefit sponsors in the following ways:

- Close funding gaps in project budgets with TIFIA's affordable, flexible, long-term financing thereby enabling construction of projects that otherwise may be delayed or never get built.
- Replace higher-cost financing in project budgets (e.g., municipal bonds or commercial debt), which can free up capital for other projects and save money in the long-term, especially with construction costs rising above the rate of the loan.
- Replace funding in project budgets that can be repurposed to be used for other eligible projects (e.g., federal formula funds).
- Financing can help get a project complete faster when it might have otherwise taken multiple phases due to funding availability. TIFIA accomplishes this by turning revenues that accrue over the long term into upfront funding.

Why would a project sponsor want a loan when grants are available?

Grants do not typically cover 100 percent of project costs and most require a local match of typically 20 percent or more. Since TIFIA loans are repaid with non-federal dollars, they count as the non-federal match for a grant. Also, grant funds need to be used within certain timeframes and if project sponsors do not have the funds on-hand to cover the non-federal match, a loan can assure that grant funds are used, and projects are built on time.

What is the review process to determine if a project is eligible for TIFIA 49?

Project sponsors should contact the Bureau to begin the process by contacting the Bureau at BuildAmerica@dot.gov. After an initial consultation, the Bureau will assign a specialist called a Project Development Lead to work with you to determine your project's eligibility under the two TIFIA 49 categories—transit and TOD—in addition to rural projects and applicants that are highly rated but not awarded under several DOT discretionary grant programs.* The Project Development Lead will also work with you to determine your project's eligibility under other criteria and compliance with applicable federal requirements. Once those determinations have been made, a Lead Underwriter will be assigned and will work with you to determine the creditworthiness of your proposed repayment source.

* INFRA, Mega and Rural.

Does TIFIA 49 alter the application or approval process from other TIFIA loans?

No, the application and approval process for TIFIA 49 is the same as any other TIFIA loan.

Is there a maximum dollar amount that can be provided by a TIFIA 49 loan?

No, the TIFIA program does not have maximum dollar amount limits for any given loan, project, sponsor, or state. However, the TIFIA program does have minimum total project costs limits. For most TIFIA projects the minimum total cost is \$50 million, but for intelligent transportation systems the minimum total cost is \$15 million, and for TOD, rural, and local projects the minimum total cost is \$10 million.

Can other types of projects apply for 49 percent financing?

Yes, any project may apply for up to 49 percent financing under TIFIA. Applicants requesting assistance greater than 33 percent must provide a rationale for such additional assistance, which is approved on a case-by-case basis by the Secretary of Transportation. The TIFIA 49 initiative streamlines this process by providing categorical eligibility to transit and TOD projects to expedite that approval process.

How do I contact the Build America Bureau?

Email BuildAmerica@dot.gov and we will be pleased to set up an initial consultation about your project(s).