



U.S. Department
of Transportation

**Office of the Secretary
Build America Bureau**

Executive Director

1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

September 8, 2026

The Honorable Mike Johnson
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

This letter responds to the legislative direction under 23 U.S.C. § 609(a) requiring the Secretary of Transportation to report biennially on the financial performance of the projects that are receiving, or have received, assistance under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan program. The U.S. Department of Transportation (DOT) submitted its previous report to Congress in 2024, providing data on the TIFIA loan portfolio as of September 30, 2023. This report provides data on the TIFIA loan portfolio as of September 30, 2025. The DOT Build America Bureau (Bureau) administers the TIFIA program.

TIFIA Loan Portfolio Status

Through September 30, 2025, DOT executed 119 capital expenditure loans totaling more than \$45 billion (net of refinancings) to support \$154 billion of transportation infrastructure investments in 23 States and U.S. territories. Loan amounts ranged from \$8.4 million to \$3.9 billion, with eight loans that were more than \$1 billion each, 32 loans between \$500 million and \$1 billion each, and 60 loans that were up to \$250 million each. The average loan face value was \$384 million. Eligible project costs for TIFIA-assisted projects averaged \$1.3 billion.

Through September 30, 2025, DOT disbursed \$38.8 billion to borrowers and de-obligated \$1.6 billion that was never disbursed or retired, leaving \$5.3 billion available for disbursement. Outstanding balances on active TIFIA loans totaled \$26.4 billion.¹ Summing outstanding balances of active loans and the amount available for disbursement provides a measure of loan portfolio exposure—\$31.7 billion, as of September 30, 2025 (Table 1).

¹ *Active loans* are those with outstanding principal or future DOT commitments.

Table 1. TIFIA Financing Activity and Portfolio Exposure, as of September 30, 2025

	Amount (\$ billions)
Project Investment (TIFIA-Eligible Costs)	\$ 154.0
Total TIFIA Capital Loan Obligations	\$ 45.7
Loan Disbursements	\$ (38.8)
Loan De-Obligations	\$ (1.6)
Commitments Available for Disbursement	\$ 5.3
Outstanding Loan Balances ^(a)	\$ 26.4
Portfolio Exposure ^(b)	\$ 31.7

Notes:

- a. Outstanding loan balances equal the original loan amounts plus accretion and minus scheduled amortization and prepayments.
- b. Portfolio exposure is the commitments available for disbursement plus the outstanding loan balances. This point-in-time amount excludes expected future accretion, prepayments, distributions, and repayments.

As of September 30, 2025, the TIFIA portfolio included 56 loans for projects that had reached substantial completion and were in operation; 28 loans were for projects under construction; three loans were converted to equity, consolidated with another loan, or sold; and 32 loans had been repaid.² Loan repayments reduce Federal financial exposure and have reduced the TIFIA portfolio balance by 28 percent from the initial face value of obligated loans. All repayments are remitted to the U.S. Treasury and do not benefit DOT or the Bureau in terms of TIFIA lending capacity or available funds.

Loan Performance Relative to Budgetary Set-Aside Amounts

The Federal Credit Reform Act of 1990 establishes budgetary treatment for Federal credit programs, including TIFIA.³ For accounting purposes, the budgetary scoring cost, also known as the *subsidy cost*, is not the face amount of the loan or guarantee. Rather, it is an estimate of the present value of the loan's future cash flows, considering repayment streams, net losses from defaults (after accounting for recoveries), and interest rate subsidies or surcharges. Subsidy costs can be negative or positive. If a program office's portfolio of loans performs precisely according to its modeled estimates of the loans' subsidy costs, actual losses (or gains) from the loans should equal the combined subsidy cost.

Program offices that administer loan programs must cover the subsidy cost of a loan or loan guarantee either by setting aside (*i.e.*, obligating) budget authority or obtaining borrower

² This status comprises loans either repaid or fully de-obligated and includes the first TIFIA credit commitment for the Washington Metro capital program structured as a loan guarantee.

³ 2 U.S.C. §661 *et. seq.*

contributions. For TIFIA, the Bureau has used budget authority (appropriated program funds) to fund all loan subsidy costs, except three cases when insufficient budget authority was available at the time the borrowers wanted to execute their loans. In these cases, the borrowers funded some of the subsidy cost: Triangle Expressway (North Carolina), Port of Miami Tunnel (Florida), and IH 635 Managed Lanes (Texas).

Through September 30, 2025, TIFIA losses after recoveries received stand at \$136.6 million against \$2.2 billion in budgetary resources obligated for the long-term cost of making such loans. The last TIFIA loan default occurred in 2016. The TIFIA portfolio performance reflects DOT's approach to credit risk and the statutory requirements that enhance credit quality. As amended by the Infrastructure Investment and Jobs Act, the TIFIA statute requires borrowers to pledge a revenue stream for loan repayment, project senior debt to achieve an investment-grade rating,⁴ and TIFIA debt to be on par with the project's senior debt in the event of bankruptcy, liquidation, or insolvency. Overall, the credit quality of active TIFIA loans trends positive—where updated project credit ratings, on average, are one notch better than initial project ratings: A/A- versus A-/BBB+.

A similar letter has been sent to the President of the Senate.

Sincerely,

Morteza Farajian, Ph.D.
Executive Director of the Build America Bureau

⁴ The Infrastructure Investment and Jobs Act (IIJA) amended TIFIA to require both the project's senior debt and the credit instrument obtain investment-grade ratings. See 23 U.S.C. § 602(a)(2)(A)(iv), as amended by Pub. L. No. 117-58, § 12001(b)(1)(A) (2021).