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McGuireWoods: DOT Increases Maximum TIFIA Loan Financing for Transportation Infrastructure Projects

On July 7, 2025, the Department of Transportation (DOT) announced a policy update raising the maximum percentage of loan financing for transportation infrastructure projects under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program from 33% to 49% of eligible costs. TIFIA was created in 1998 to support the funding needs of transportation infrastructure projects. Although the legislation always allowed for financing of up to 49% of eligible costs, it was the DOT's long-standing policy to cap loan amounts at 33% of costs for most types of projects. This policy update aligns the DOT's practice with the maximum loan percentage authorized by law. Project sponsors seeking to build transportation infrastructure should use this new ceiling to their full financial advantage.

TIFIA provides long-term, low-interest loans and other credit assistance for the construction of surface transportation projects of national or regional significance. Often TIFIA loans are made on more advantageous terms than the traditional financial market, which enables projects to obtain financing that might not otherwise be available.

Congress enacted TIFIA to respond to concerns that traditional public funding techniques were unable to keep pace with the transportation infrastructure investment needs of the United States. Through TIFIA, the government fills financing gaps and fuels the growth of critical infrastructure projects by encouraging and complementing state, local and private investment. TIFIA loans have been deployed to support major surface transportation public-private partnerships across the United States, including the Downtown Tunnel/Midtown Tunnel/MLK Extension project in Virginia and the North Tarrant Express managed lanes network in Texas.

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Insight | August 6, 2025