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Is WIFIA's Interest Rate Reset Feature at Risk?

In response to the Trump administration's slowdown of loan processing at the Water Infrastructure Finance and Innovation Act (WIFIA) program, four water advocacy groups sent a [letter](#) to EPA Administrator Zeldin in October last year asking for normal processing to resume. In December, a group of Democrat senators sent a similar letter requesting the same thing. The pressure worked - five loans totaling more than \$500 million were rapidly approved and closed at the end of 2025.

Such lobbying and political efforts can be quite effective, as they were in this case, when executive branch slow walking cannot be credibly justified. Invited WIFIA loan applications are invariably of very high quality. All five recently closed loans had high investment grade credit ratings and financed low-risk, essential water infrastructure. WIFIA's statutory framework has not been amended under Trump 2.0, nor has program funding run out. There have been no apparent issues whatsoever in program operation or portfolio credit performance. The WIFIA loan applicants had every right to expect that the new administration would execute their loans as expeditiously as had been consistently done since 2018. There was simply no excuse for further delay.

However, what if a required approval was outside of WIFIA's statutory framework and, although frequently granted in the past, might now be characterized by the Trump administration as potentially having negative effects? Slow walking - or simply denying - such an approval by the administration might be much harder to counter. Unfortunately, I think there is a risk of this scenario for future approvals of WIFIA's popular interest rate management feature, resetting an undrawn loan commitment to a lower interest rate.

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