



SIB Frequently Asked Questions

1. What entities are eligible to apply for a SIB Loan?

A public or private entity that is authorized by law to construct, maintain, or finance an eligible public highway project may use a SIB loan for its own project or for local participation in a TxDOT project.

Examples include cities, counties, local development corporations, regional mobility authorities, and water supply corporations.

2. What is an eligible highway project?

An eligible project includes all costs incidental to the construction or reconstruction of public highways, such as construction; utility relocation; right of way acquisition, appraisal and testing; engineering; surveying and inspection.

The project must be eligible for funding under existing federal highway programs and must be consistent with the Statewide Transportation Improvement Plan (STIP). A local government may use a SIB loan for its own highway project or for local participation in a TxDOT Project.

3. What is local participation in a TxDOT Project?

An eligible entity may use the SIB loan to fund its local cash contribution or to pay the costs of work necessary for a TxDOT highway project on the state highway system that is constructed and maintained by TxDOT.

4. Is there a maximum amount?

Maximum borrowing limits are found in the [Executive Director's SIB Guidelines](#). The current limits can be found on the SIB Application webpage.

5. Is there a minimum amount?

No, there is no minimum borrowing amount requirement.

6. When will the money have to be paid back?

The SIB offers flexible repayment terms. The loan term will vary based on the project and amount of the loan but may not exceed 30 years after the date of the first payment on the loan.

7. What are some advantages of using the SIB as opposed to other borrowing sources?

Borrowing from the SIB offers many advantages compared to other borrowing sources. Some advantages include:

- No application fee
- No underwriting, banking or rating agency costs
- Flexible repayment terms
- Loans can be prepaid without penalty
- Interest rates are set at the time of application
- Interest rate discount for economically disadvantaged counties

8. Can this loan qualify for an economically disadvantaged county discount on the interest rate?

An applicant is eligible for an interest rate discount if it is in an economically disadvantaged county, which is a county that in comparison to other counties in the state have below average per capita taxable property value, below average per capita income, and above average unemployment.

The Commission certifies economically disadvantaged counties annually and the list of counties can be found [here](#).

9. How long will the application process take?

The application process time will vary based on the project and the loan terms.