

State Infrastructure Bank (SIB) Transportation Loan Program

The Texas State Infrastructure Bank (SIB) is a low-cost tool for local governments to finance local transportation projects at competitive interest rates. The Texas Department of Transportation (TxDOT) manages the SIB program as a revolving loan fund.

WHAT ENTITIES ARE ELIGIBLE TO APPLY FOR A SIB LOAN?

A SIB loan can be granted to a public or private entity that is authorized by law to construct, maintain, or finance an eligible transportation project. Examples of entities that typically utilize SIB loans are cities, counties, and regional mobility authorities. Utilities may also receive SIB loans for the relocation of utilities required for a transportation project.

ADVANTAGES TO USING THE SIB

- › No underwriting, banking, or rating agency costs.
- › No application fee.
- › Flexible repayment terms (early repayment, duration, etc.).
- › Economically disadvantaged counties, as defined by TxDOT’s [Economically Disadvantaged County Program](#) may qualify for a reduced interest rate.
- › Interest rate is determined at the time a complete application is received, rather than at loan closing.

PERMISSIBLE USES FOR SIB LOAN PROCEEDS

- › Construction of a “federal-aid highway,” which is a public highway eligible for assistance under federal law at Title 23 United States Code.
- › Project must be consistent with transportation plan developed by the local metropolitan planning organization under the [Statewide Transportation Improvement Program](#). Contact your [TxDOT district office](#) to determine whether the project meets the qualifications.
- › Borrowers may use SIB loan proceeds for Costs of Issuance, if applicable, such as attorney fees.
- › Loans cannot reimburse expenditures made prior to loan date.
- › For more information on the permissible uses for SIB loan proceeds, see <ftp.dot.state.tx.us/pub/txdot-info/fin/sib/permissible.pdf>.

PROJECT EXAMPLES

Planning and Preliminary Studies	Feasibility Studies
Economic and Environmental Studies	Right of Way Acquisition
Surveying	Appraisal and Testing
Utility Relocation	Engineering and Design
Construction (as defined in Title 23 United States Code Sec. 101)	Inspection
Construction Engineering	

LOAN TERMS

- › Interest rates are determined by the borrower's application, market rate at time of completed application, credit rating (if applicable), and loan duration. Economically disadvantaged public entities are eligible for an interest rate discount.
- › Subject to SIB balances and fund availability, there is no minimum or maximum loan amount.
- › If approved by the Texas Transportation Commission, the initial loan repayment can be deferred up to 5 years. Loan repayment cannot exceed 30 years after repayment begins (for a total of 35 years).
- › Borrowers are required to submit their audited financial reports to TxDOT annually.
- › Other terms as outlined in the loan agreement.

LOAN APPLICATION PROCESS

It is advisable to discuss your SIB loan with the TxDOT district office first, to make sure they are aware of your application and provide any relevant assistance in regards to the application. Once the application is submitted and considered complete, the loan process takes approximately 4 to 5 months. It is critical to submit all the required documentation, as failure to do so can be a potential cause for a delay in processing. All SIB loans require TxDOT Commission approval.

Visit the **State Infrastructure Bank Publications and Applicant Information** page on www.txdot.gov to download the:

- › *SIB Application Form*
- › *Loan Application Timetable*

For additional resources and information about the SIB Program visit:

- › www.txdot.gov/government/programs/sib.html
- › www.txdot.gov/government/programs/sib-publications.html

BACKGROUND OF STATE INFRASTRUCTURE BANK PROGRAM

State infrastructure banks were authorized in 1995 as part of the National Highway Designation Act (National Highway System) to allow public or private entities to borrow capital funds at market interest rates or lower-than-market interest rates for mobility and transportation infrastructure projects.

In 1997, the State of Texas authorized the Texas Department of Transportation and the Texas Transportation Commission to administer the Texas State Infrastructure Bank.

The *Texas Transportation Code*, Chapter 222, subchapter D, establishes the SIB as an account within the state highway fund and provides program details. The *Texas Administrative Code*, Title 43, Chapter 6, provides additional project and program requirements that may not be included here.

RESOURCES

Texas Transportation Code; Chapter 222.072

- › www.statutes.legis.state.tx.us/Docs/TN/htm/TN.222.htm#222.072

Rules Governing the State Infrastructure Bank

- › [info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=5&ti=43&pt=1&ch=6&sch=A&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=43&pt=1&ch=6&sch=A&rl=Y)

Additional Local Financing Tools

- › www.txdot.gov/government/programs/local-financing.html

