

TEXAS STATE INFRASTRUCTURE BANK (SIB) LOW-COST TRANSPORTATION FINANCING

The goal of the State Infrastructure Bank (SIB) program is to provide low cost and innovative financing methods to communities to assist them in meeting their infrastructure needs. The SIB program allows borrowers to access capital funds at or below market interest rates.

Fast facts about SIB loans



Typical
SIB Loan:
\$1-5 million



Projects leveraged
to complete:
\$8 billion



Average
term:
13 years



Loan term
range:
1 - 30 years

Project Eligibility

- Roadway projects (on or off-system) must be eligible for funding as a federal-aid highway under United States Code, Title 23. [Visit our website to see eligibility information for roadway projects.](#)
- Programs authorized under United States Code, Title 23 are generally eligible for SIB financing.

Typical costs that can be included in the loan amount*

- Estimated construction cost for new or reconstruction for eligible on or off-system roadways.
- Local match for eligible project.
- Right of way acquisition.
- Utility relocation.
- Contingency for potential rising costs.
- Engineering and design costs.
- Joint bid contribution.
- Financial and legal fees associated with the SIB loan application.

Additional benefits include

- Interest rate;
 - » Set at or below market interest rates.
 - » Based on term of the loan and credit rating of the borrower.
 - » Credit rating not required to borrow.
 - » Fixed rate set when the completed application is received.
 - » Entities in an economically disadvantaged county receive an interest rate discount.
- No fees for loan application or loan handling.
- Flexible loan terms, including payment deferrals and sculpted repayment schedules.
- Prepayment can be made without penalty.
- No minimum on loan amount.

Things to know about the process



Application to loan funding typically takes **four to six months**.



The Texas Transportation Commission approval is required on all loans.



*SIB funds can not be used to reimburse costs except for financial and legal costs incurred during the course of the SIB loan application and loan agreement.



Projects in a Clean Air Act non-attainment area must be consistent with the Statewide Transportation Improvement Plan, with the conforming plan and Transportation Improvement Program for the MPO, if applicable.



Information about the environmental requirements for SIB loans can be found on our website. SIB loans do not trigger additional requirements, but projects may.



For monetary contributions, the funds will be sent to the Borrower then provided to the TxDOT district by the Borrower to satisfy the Advance Funding Agreement.

Have questions?

☎ 512-463-9958

✉ TexasSIB@txdot.gov

🌐 TxDOT.gov (Keyword: SIB)

