



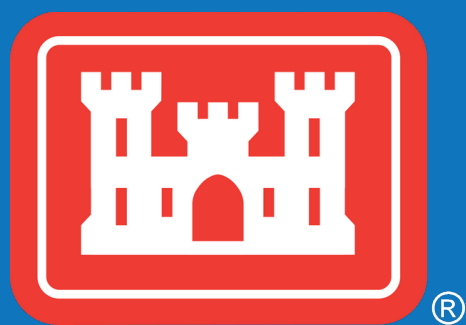
**US Army Corps
of Engineers** ®



**Corps Water
Infrastructure**
FINANCING PROGRAM

GENA

- Introduction
- Eligibility requirements
- CWIFP loan features and financing benefits
- Question-and-Answer session



www.usace.army.mil/cwifp



MISSION STATEMENT

The Corps Water Infrastructure Financing Program (CWIFP) enables local investment in infrastructure projects that enhance community resilience to flooding, promote economic prosperity, and improve environmental quality.

Through CWIFP, USACE will accelerate non-Federal investments in water resources infrastructure by providing long-term, low-cost loans to creditworthy borrowers.

PROGRAM OVERVIEW AND BACKGROUND



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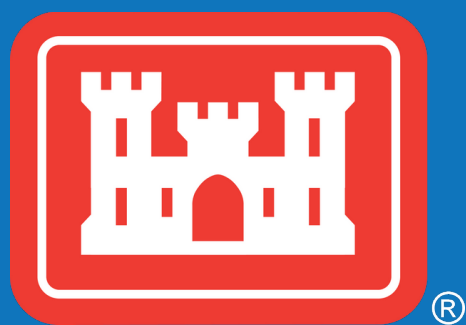
What is the Corps Water Infrastructure Financing Program?

- USACE's federal loan program
- Authorized by the Water Infrastructure Finance and Innovation Act (WIFIA) in WRRDA 2014
- Mirrors EPA's WIFIA program and DOT's TIFIA program

Current status

- **Accepting applications!** Application period goes from 20 September to 19 December, and was triggered by release of the Notice of Funding Availability (NOFA).
- On May 22nd, the Assistant Secretary of the Army for Civil Works signed the final CWIFP program rule which establishes the process by which USACE will administer credit assistance.
- To date, CWIFP has received a total of **\$81 million for credit subsidy** and an additional **\$15.4 million for administration** of the program. This will allow USACE to issue up to approximately **\$7.5 billion in loans**.
- USACE has been developing CWIFP in partnership with EPA and other federal partners to ensure efficient program development.

ELIGIBILITY REQUIREMENTS



CWIFP ELIGIBILITY

Eligible projects

Safety project(s) to maintain, upgrade and repair dam(s) identified in the National Inventory of Dams owned by non-Federal entities.

Projects must:

- Reduce flood damage;
- Restore aquatic ecosystems;
- Improve the inland and intracoastal waterways navigation system of the U.S.; or
- Improve navigation of a coastal inland harbor of the U.S., including channel deepening and construction of associated general navigation features.

▶ Projects may be combined under a single loan request provided the CWIFP loan is repaid from a common revenue stream.

CWIFP ELIGIBILITY

Eligible borrowers

- Local, state, and Tribal government entities
- Partnerships and joint ventures
- Corporations and trusts
- State revolving fund programs
- Multiple entities may apply under a single application with a common security pledge.

Eligible costs

- Development-phase activities
- Construction, reconstruction, rehab, and replacement activities
- Acquisition of property used to mitigate environmental impacts of eligible projects
- Capitalized interest, reserve funds, issuance costs, and other project carrying costs during construction

MINIMUM ASSISTANCE REQUIREMENTS

Projects must:

Be **CREDITWORTHY**

- Must have an investment-grade rating on the CWIFP loan and other project debt obligations

Be **TECHNICALLY SOUND**

- Must meet all applicable engineering, safety, and other technical standards

Be **ECONOMICALLY JUSTIFIED**

- Anticipated benefits will exceed the costs

Be **ENVIRONMENTALLY ACCEPTABLE**

- Must satisfy all necessary environmental requirements, including requirements associated with the Corps Programmatic Environmental Assessment prepared for this rule under NEPA

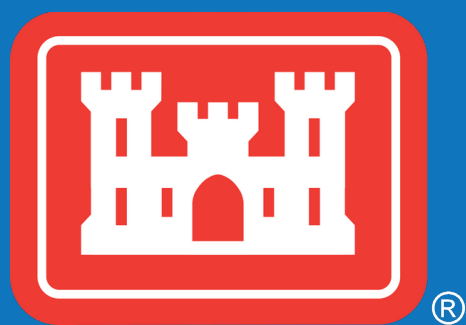
Be **\$20 MILLION OR MORE**

Comply with **APPLICABLE REGULATIONS**

- NEPA, Davis-Bacon, American Iron and Steel, Buy American, and all federal cross-cutters

Receive **PUBLIC SPONSORSHIP** if undertaken by a private entity

ON FAURE AND FINANCING BENEFITS



CWIFP BENEFITS

CWIFP could save a typical A-rated borrower 0.5% to 1% on average compared to capital markets. For a \$100M loan, this difference in rates could save approximately \$15M to \$25M in interest payments over a 30-year loan.

Low interest rates

Rates are equal to U.S. Treasury rates and are not impacted by borrower credit or loan structure.

No interest rate risk

Rates are locked at the time of loan closing and fixed for the life of the loan.

No negative arbitrage

Interest accrues only once funds have been disbursed.

CWIFP BENEFITS

Civil Works projects typically have high upfront capital costs and useful lives that can exceed 50 years. Unlike traditional financing sources, CWIFP loans enable municipal, regional, and state-level borrowers to spread the repayment of initial investment costs across the useful life of the asset.

Customized repayment schedules

Repayment schedules can be structured to match anticipated cash flows over the life of the loan.

Long repayment periods

Repayment periods of up to 35 years after completion of construction

Deferred payments

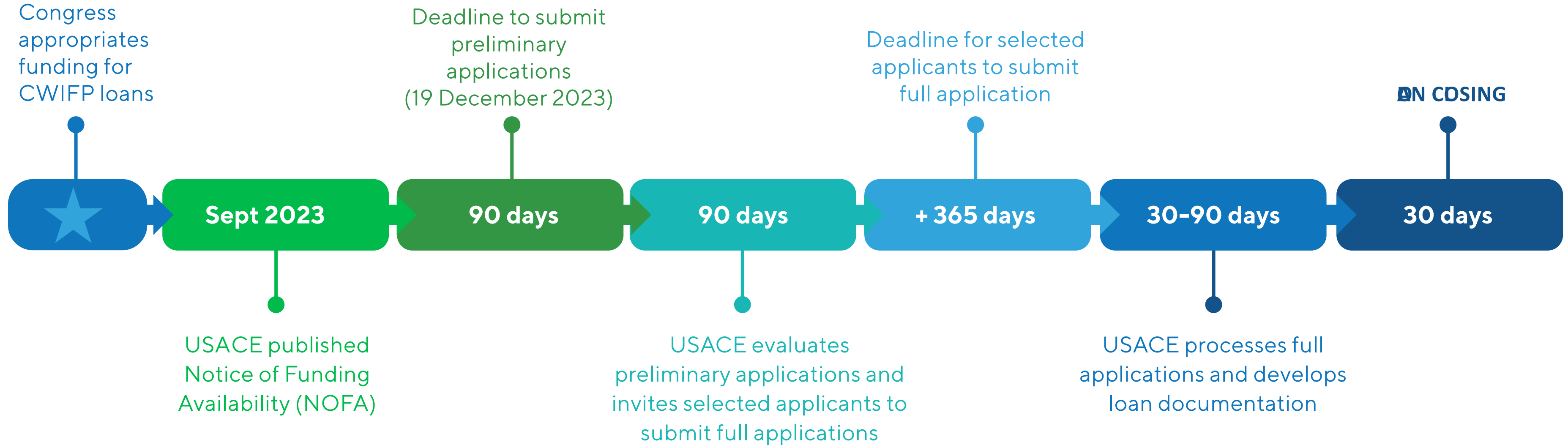
Payments can be deferred through the construction period up to 5 years after completion of the project.

No prepayment penalty

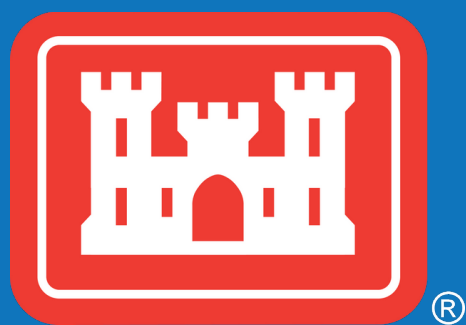
Loans can be prepaid at any time without penalty.

CWIFP AN PROCES

TIMELINE



APPLICATION PROCESS



PRELIMINARY APPLICATION

FULL APPLICATION REVIEW, NEGOTIATION, & CLOSING

- Once invited to apply, applicants will have one year (365 days) to submit a completed application
- CWIFP will perform a financial, technical, and legal review of the applicant's full applications and will propose project terms and conditions and will negotiate a term sheet and loan agreement with the applicant (30-90 days)
- Upon final agreement of the loan terms and documents, CWIFP will schedule the loan closing and execute the loan agreement with OMB's approval (30 days)



