

Five CWIFP Economic Amendments for WRDA 2024

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The USACE's Corps Water Infrastructure Financing Program (CWIFP) is currently funded to provide \$7.5 billion of loan volume to eligible dam safety and levee projects. Five simple and non-controversial economic amendments to CWIFP's statutory framework would allow the program to offer significantly improved benefits to eligible projects at little or no additional cost to federal taxpayers.

- **55-Year Post-Completion Loan Term:** Extending CWIFP's post-completion maximum loan term from 35 to 55 years for qualifying long-lived dams and levees will improve project economics, intergenerational equity and debt service management. There is a recent precedent for extending the term of a federal loan for long-lived assets -- the DOT's TIFIA loan program's maximum loan term was extended to 75 years in the IJA.
- **8-Year Post-Completion Debt Service Deferral:** Currently, CWIFP loans offer a 5-year debt service deferral. This highly beneficial feature should be extended proportionally with a 55-year term.
- **Limited Interest Rate Buydown:** If interest rates rise after loan application but before execution, a limited buydown allows CWIFP to adjust the final loan rate downward to preserve original project economics. The DOT's TIFIA and DOE's CIFIA loan programs already have limited buydown provisions.
- **Statutory Interest Rate Reset:** If interest rates fall after loan execution but before drawdown, CWIFP can reset the loan rate to then-current levels. The EPA's WIFIA loan program has done several rate resets, but making the feature a statutory provision for dams and levees will provide added certainty for long-development phase projects.
- **Expanded Eligibility for Small Project Combinations:** The minimum eligible project size for a CWIFP loan is \$20 million, an efficient amount for federal lending. Smaller projects can be combined to meet the threshold, but current rules should be modified to expand the scope of eligibility for CWIFP loans to project combinations at co-ops, small project funds and SRFs.

Links for additional InRecap descriptions and analyses: [Five CWIFP Amendments](#)