



TXDOT State Infrastructure Bank (SIB)



What is the SIB?

Low-cost transportation financing tool.



SIB loan program

- Revolving fund - All repayments go back into the SIB
- Non-federal dollars

183 Loans – Since inception (1997)

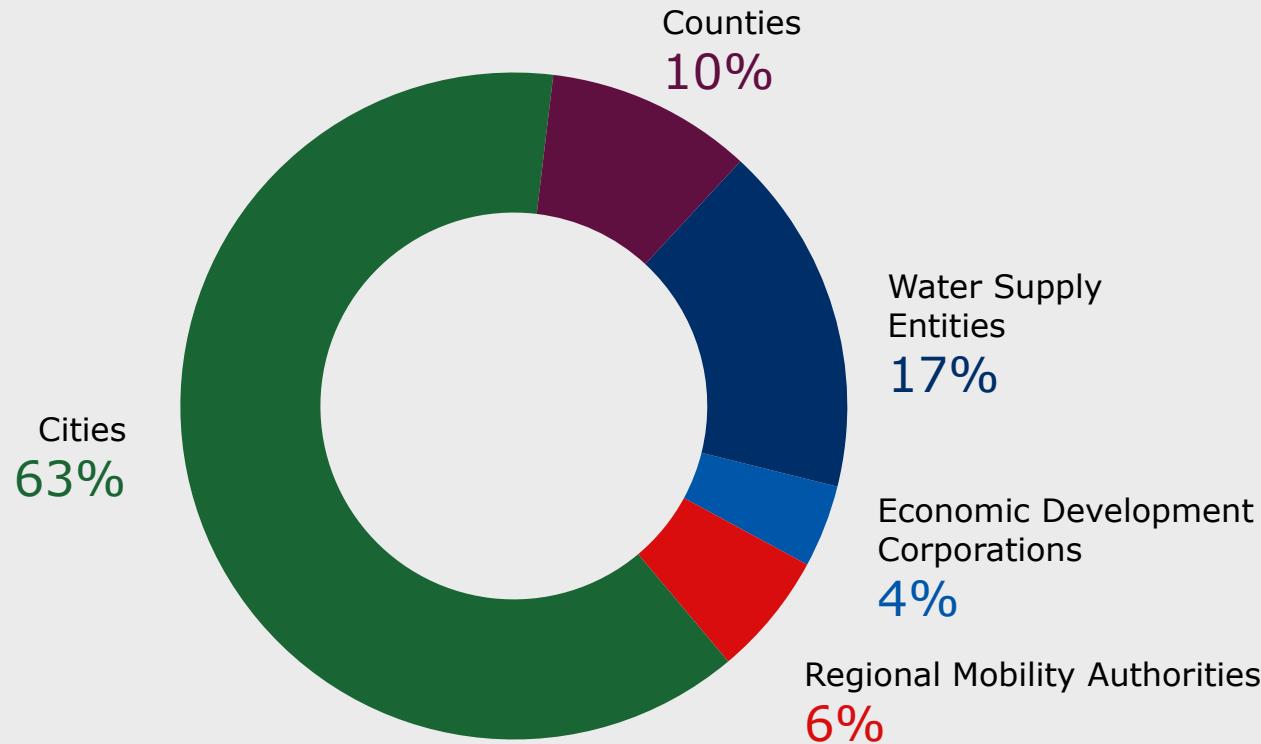
- Loans have ranged from \$10,000 to \$44m
- Median loan amount approximately \$1m

\$985 Million – In loans

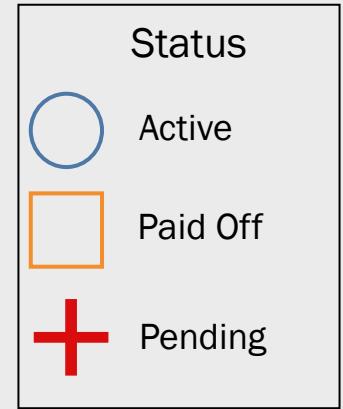
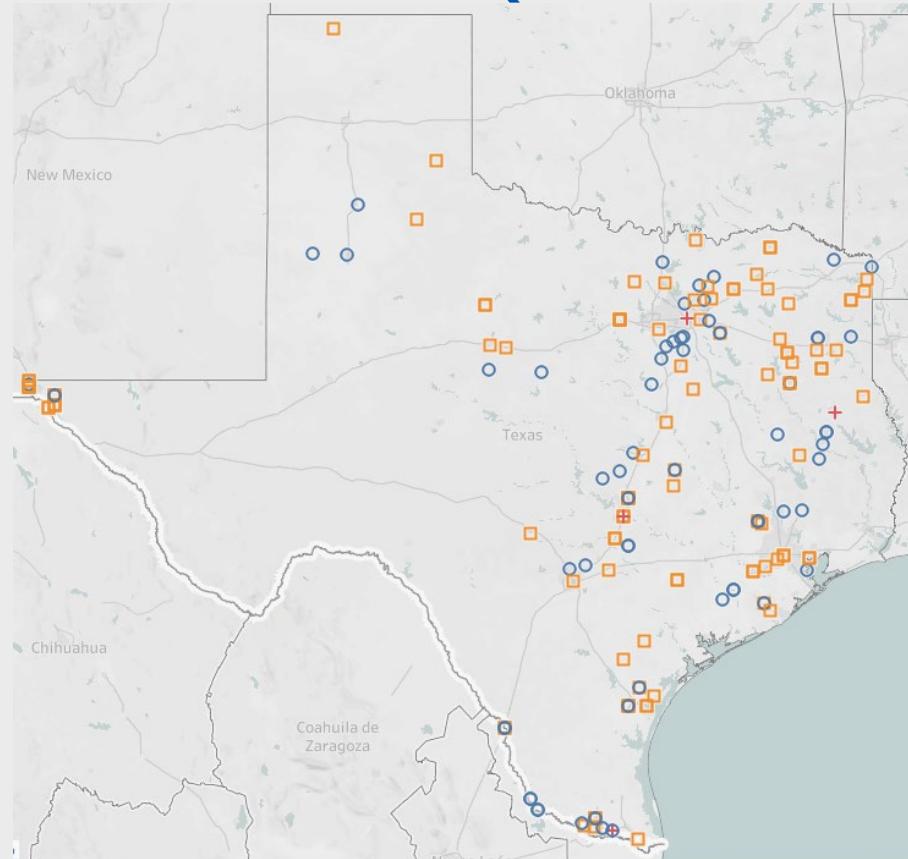
\$581 Million – Repaid

\$9.2 Billion – In Texas transportation projects

SIB loans - borrower type



SIB Loans around the state (as of Jan 2026)



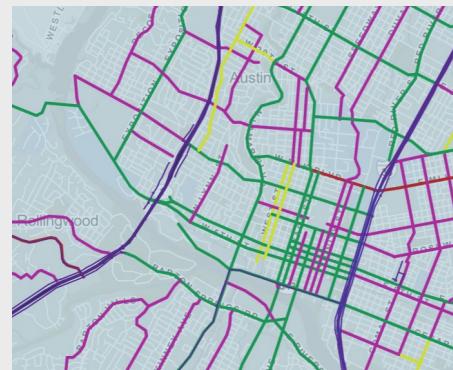
Eligible projects

- Eligible under federal highway programs.
- Roadways must be functionally classified above a rural minor collector.
- On- or off-system roadways can be eligible.
- Generally, projects eligible under Title 23.

Eligible Roadways

To check eligible roadways, please use the [statewide planning map](#).

- Search or zoom into your area.
- Select the 'Functional Classification & Urban Areas' overlay on the left.
- The 'Legend' tab on the top left will indicate what each road is classified as.
- Roadways classified above a rural minor collector are eligible for SIB financing.
- If a road is not highlighted, it is a local road and not currently eligible.
- The 'Roadway Inventory-On-System Roadbeds' can be used to show which roads overlap as also being eligible and on the Texas Highway System.



Eligible Uses Include

Construction or reconstruction

Right of way acquisition

Utility relocation

Design

Environmental

Local Match

Contingency

Financial & Legal advisory fees

When can a SIB loan be used for utility relocation?

- Required relocation for a TxDOT project.
- Elective relocation or other utility work – **ONLY** when an eligible project is **ALSO** being done.
- **CANNOT** be used for a standalone utility project.

Low cost of borrowing

- \$0 loan application
- \$0 closing costs
- \$0 loan handling
- Form of agreement
 - Direct loan agreement (authorized in TTC §222.0745)
 - Certificate of Obligation
 - Bond

Repayment terms

- Prepayments can be made at any time.
- Flexibility in repayment.
 - Most repayment frequencies acceptable.
- Deferments
 - Full deferral of principal and interest.
 - Interest only payments.
 - Interest capitalizes during deferment period.

Interest rate

- Rate set at the time of application.
- Fixed rate for the life of the loan.
- Municipal Market Data index (MMD)
- 2 main factors
 - Credit Rating
 - Term of the loan

SIB rating scale

Rating	1-10 Year Loan Term	11+ Year Loan Term
AAA*	AAA	AAA
AA	AAA +05 bps	AAA +10 bps
A	AAA +10 bps	AAA +20 bps
BAA	AAA +15 bps	AAA +30 bps
BBB-/Not Rated	AAA +20 bps	AAA +40 bps

*AAA = AAA MMD rate for the requested term for that week

Economically Disadvantaged County (EDC)

Interest rate discount for an entity in an economically disadvantaged county.

SIB interest rate is reduced in basis points by the amount of the adjustment percentage.

Example -50% EDC Adjustment

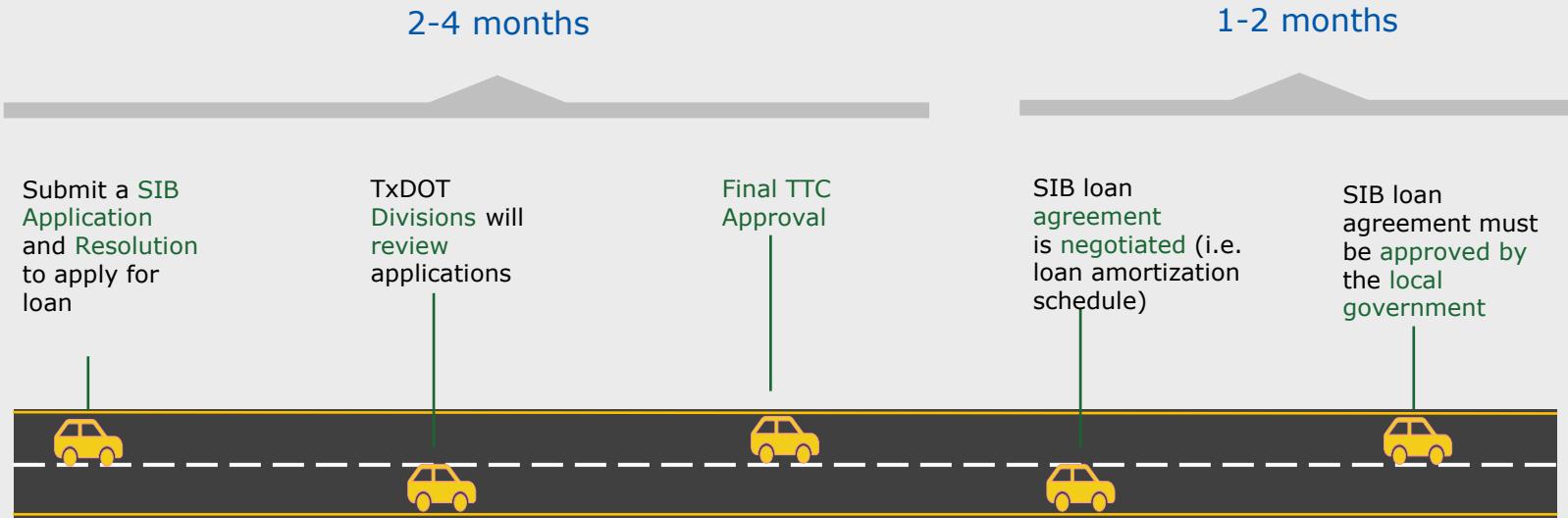
Example Interest Rate	4.50%
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Rate Spread	.20
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<u>EDC Adjustment</u>	(.50)
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Final Rate	4.20%
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TxDOT SIB process



Key takeaways

- Available for any TxDOT project and some non-TxDOT projects.
- Interest rate is fixed at the time of application.
- Entire process takes approximately 4-6 months.
- Transportation Commission approval is required for all applications.

SIB resources

Contact information:

TexasSIB@txdot.gov
512-463-9958

TXDOT.gov and search “State Infrastructure Bank”

- SIB Application
- General program information
 - Instructions to check eligibility
 - Informational flyers
 - Sample resolutions for the local entity

