



# TXDOT State Infrastructure Bank

Low-cost transportation financing





## SIB Loans



# SIB loan program

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

**173 Loans** – Since inception (1997)

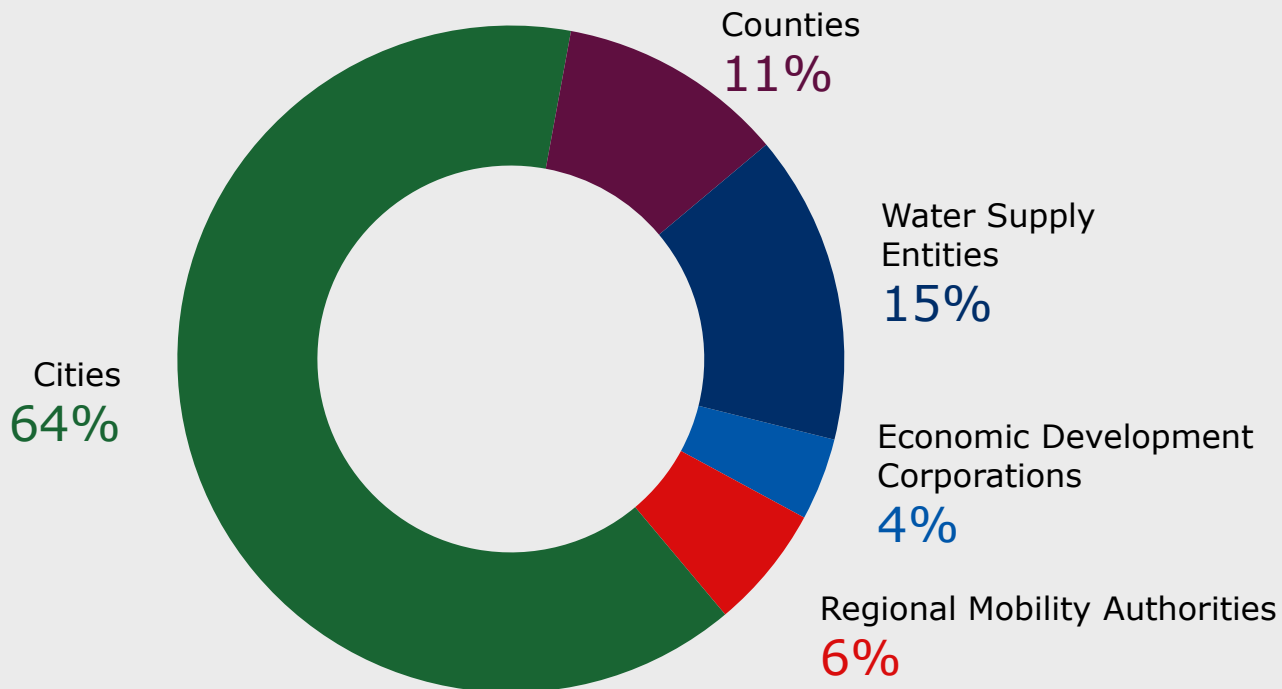
- Loans have ranged from \$10,000 to \$44m
- Median loan amount approximately \$1m

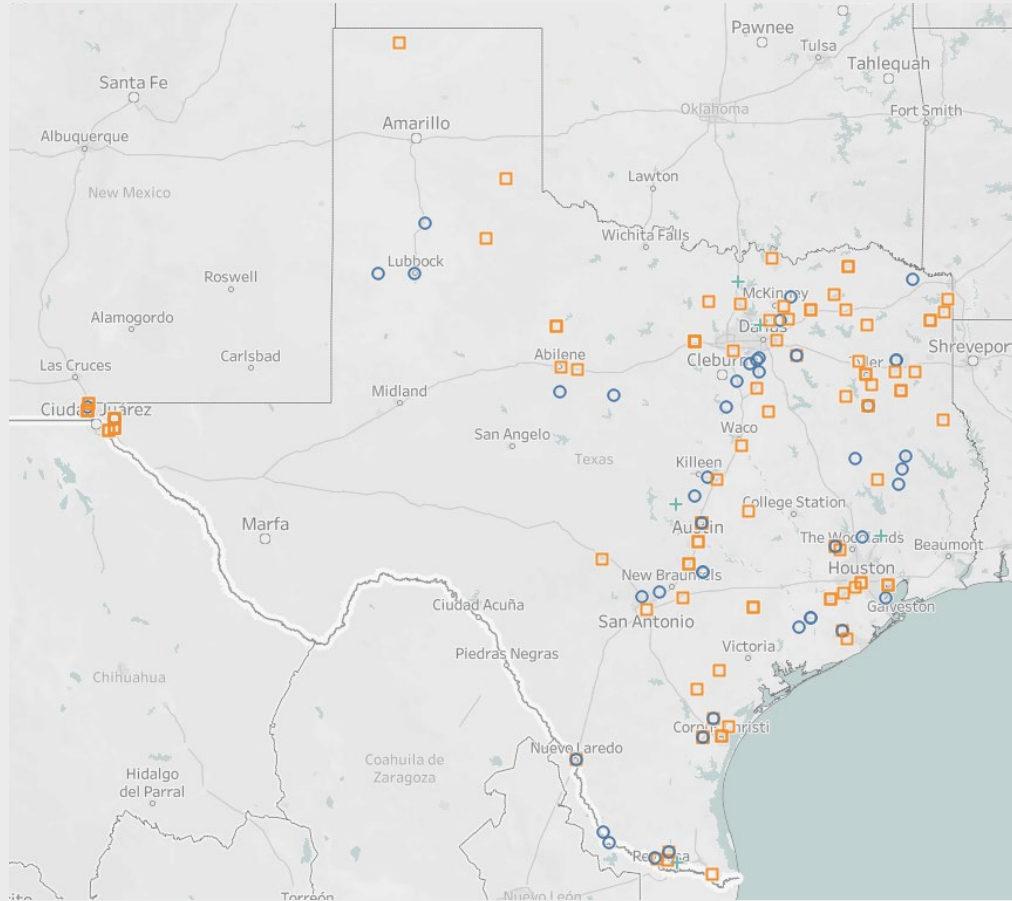
**\$937 Million** – In loans

**\$581 Million** – Repaid

**\$8.7 Billion** – In Texas transportation projects

## SIB loans - borrower type





## Eligible projects

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



## Eligible Uses Include\*

Construction or reconstruction

Right of way acquisition

Design

Environmental

Local Match

Contingency

Financial & Legal advisory fees

\*Not an exhaustive list.

## 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) – most common
  - Certificate of obligation
  - Bond purchase

## 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

## Interest rates

SIB rating scale		
Rating	1-10 Years	11+ Years
AAA	AAA	AAA
AA	AAA +5 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

## Interest rates – Economically Disadvantaged Counties

### Economically Disadvantaged County (EDC) Program

- TxDOT publishes a list annually of counties that are eligible for this program.
- The list is published on the TxDOT website and linked to our SIB Application Page.
- Any entity in an EDC will receive an interest rate discount in basis points based on the list.

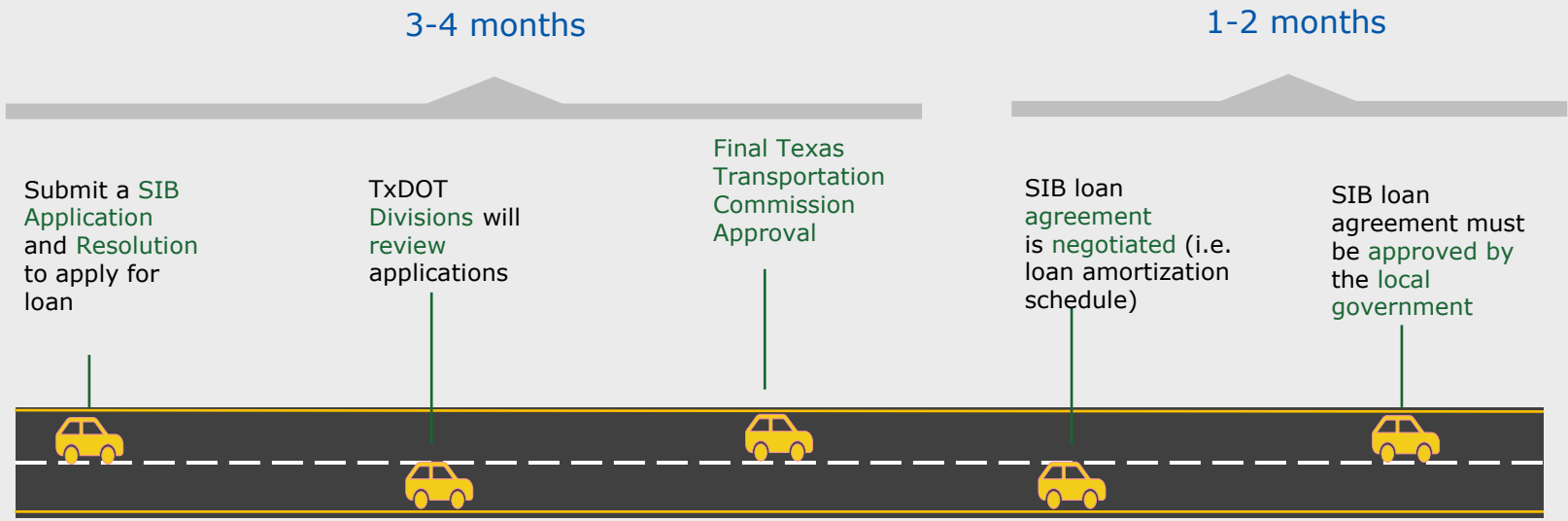
## Interest rate

### How it works\*

Sample AAA rate (20 years)	3.50%
Rate spread (Not Rated)	+ .40%
EDC Discount (Based on EDC status)	(.50)
<b>Final Rate</b>	<b>3.40%</b>

\*For illustrative purposes only. Please contact our team to check current rates.

# TxDOT SIB process



## SIB resources

General contact:

**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

