

Corps Water Infrastructure Financing Program (CWIFP)

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The Water Infrastructure Finance and Innovation Act of 2014 (WIFIA 2014, Title V, Subtitle C, of P.L. 113-121; [33 U.S.C. §§3901-3915, as amended](#)) authorized the U.S. Army Corps of Engineers (USACE) to provide credit assistance—direct loans or loan guarantees—to [eligible entities](#) for water resource projects. USACE’s program is called the [Corps Water Infrastructure Financing Program \(CWIFP\)](#). WIFIA 2014 also authorized an analogous [Environmental Protection Agency \(EPA\) program](#) for water projects outside of USACE mission areas.

CWIFP Authority, Implementation, and Funding

WIFIA 2014 authorized USACE credit assistance for projects with the following purposes:

- reduction of riverine or coastal storm flood damage,
- restoration of aquatic ecosystems,
- improvement of the inland and intracoastal waterways navigation system,
- improvement of navigation at a U.S. harbor, or
- a combination of purposes supported by USACE and EPA WIFIA authorities (e.g., drinking water, wastewater, and/or stormwater system improvements).

[USACE describes](#) some CWIFP benefits for borrowers as interest rates near U.S. Treasury rates, possible matching of repayment schedules with anticipated cash flows, and repayment periods up to 35 years after construction completion. In FY2021, Congress created a USACE Water Infrastructure Finance and Innovation Program (WIFIP) account and first funded the CWIFP to provide credit assistance. Of the \$110.8 million in enacted funding to date, Congress has indicated (see **Table 1**) that

- \$81.0 million supports credit assistance for [dam safety](#) projects,
- \$2.2 million supports credit assistance for dam safety and levee projects, and
- \$27.6 million supports program administration.

Eligible dams are those identified as nonfederally owned in the [National Inventory of Dams](#).

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Table I. Water Infrastructure Finance and Innovation Program (WIFIP) Account
(dollars in millions, nominal)

Public Law Funding WIFIP Account and FY2025 Request	Support for Credit Assistance	Program Administration	Project Type Statutory Limitations for Credit Assistance
P.L. 116-260	\$12.0	\$2.2	Nonfederal dam safety projects ^a
P.L. 117-58	\$64.0	\$11.0	Nonfederal dam safety projects
P.L. 117-103	\$5.0	\$2.2	Nonfederal dam safety projects ^a
P.L. 117-328	\$0	\$7.2	—
P.L. 118-42	\$2.2	\$5.0	Nonfederal dam safety and levee projects ^a
<i>FY2025 Budget request</i>	<i>\$2.0</i>	<i>\$5.0</i>	<i>Nonfederal dam safety projects</i>

Source: CRS.

a. Congressional direction specifies credit in accordance with [85 Federal Register 39189](#).

In May 2023, USACE published a final CWIFP implementation rule that reflected enacted appropriations through FY2023, which limited lending to nonfederal dam safety projects ([88 Federal Register 32661](#)). In September 2023, USACE solicited preliminary applications from prospective CWIFP borrowers for nonfederal dam safety projects ([88 Federal Register 64892](#)). After evaluating the preliminary applications, which were due in December 2023, USACE plans to invite selected prospective borrowers to complete their applications. Applicants are responsible for application fees and fees for processing CWIFP credit assistance.

According to the 2023 rule, CWIFP-eligible entities include state, local, and tribal government entities and various private entities (e.g., corporations, partnerships, and trusts) that are publicly sponsored ([33 U.S.C. §3907\(a\)\(4\)](#)); federal entities are ineligible. An eligible project needs to cost more than \$20 million and be creditworthy, technically sound, economically justified, and environmentally acceptable. USACE's rule identifies dam removal as eligible. The final rule added selection criteria to the [statutory criteria](#) (e.g., the extent that a project serves and spurs economic opportunity for economically disadvantaged communities and their populations). For a project, the maximum CWIFP credit assistance is 49% of eligible project costs, or up to 80% for projects serving economically disadvantaged communities.

Loan Volume

The volume of loans and loan guarantees that CWIFP can provide is determined primarily by the appropriated amount for credit assistance and the subsidy rate for each loan. Under the [Federal Credit Reform Act of 1990](#) (P.L. 101-508), appropriations for federal credit programs primarily cover long-term credit subsidy costs ([2 U.S.C. §661a](#)). Subsidy costs reflect potential losses to the government from loan defaults. Projects with lower credit risk would consume less credit subsidy than higher credit risk projects. The subsidy cost typically is presented as a percentage (i.e., a subsidy rate). [USACE calculates](#) subsidy costs on a project-by-project basis at the time of loan obligation. USACE may support up to [\\$7.5 billion in loans](#) with the appropriations available through FY2023. Actual total CWIFP loan volume may differ, given each project's subsidy rate and other factors affecting loan amounts.

Issues for Congress

Policy issues shaping CWIFP include how future congressional direction may determine eligible project types and at what level Congress appropriates for CWIFP credit assistance. With FY2024 appropriations,

Congress expanded the scope of eligible projects to include nonfederal levee projects. P.L. 118-42 specified that to be eligible for CWIFP's FY2024 credit assistance, a levee must be [certified as not being federally owned by the Secretary of the Army](#). Implementation of this provision may clarify whether new nonfederal work on levees originally constructed by USACE and operated by a nonfederal entity is CWIFP eligible. The House Appropriations Committee, in [explanatory text](#) accompanying P.L. 116-260, had encouraged the Secretary of the Army to issue "guidance to clarify, as Congress intended ... that the financial assistance program authorized in WIFIA applies to all non-Federal projects and any authorized project that is non-federally owned, operated, and maintained." A related question is the CWIFP eligibility of nonfederal costs of authorized USACE construction projects. Many [congressionally authorized USACE projects](#) have purposes that are CWIFP eligible pursuant to WIFIA 2014. Congress has [required that nonfederal sponsors share in the cost](#) of many USACE projects and assume responsibility for the projects and their costs after construction. A June 30, 2020, *Federal Register* notice—"Water Infrastructure Finance and Innovation Act Program (WIFIA) Criteria Pursuant to the Further Consolidated Appropriations Act, 2020" ([85 Federal Register 39189](#))—identified congressionally authorized USACE (and [Bureau of Reclamation](#)) projects as federal assets and as ineligible for WIFIA assistance. As noted in **Table 1**, Congress has often referenced the 2020 *Federal Register* notice when funding USACE's WIFIP account. The discussion in USACE's 2023 final rule references the applicability of the 2020 *Federal Register* notice, thereby maintaining that congressionally authorized USACE projects are federal assets. Thus, the 2023 final rule indicates that nonfederal costs associated with congressionally authorized USACE projects are ineligible for CWIFP assistance.

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