

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, as amended; [33 U.S.C. §§3901-3915](#)) authorized the U.S. Army Corps of Engineers (USACE) to provide credit assistance—direct loans or loan guarantees—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 that

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

[USACE describes](#) borrowers’ benefits 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 funded CWIFP to provide credit assistance. Of the \$118 million in enacted funding to date, Congress has indicated that a portion of funding is for nonfederal dam safety projects, some funds are for either nonfederal dam safety or nonfederal levee projects, and other funds are for program administration (see **Table 1**). 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 FY2026 Request	Support for Credit Assistance	Program Administration	Project Type Statutory Limitations for Credit Assistance
P.L. 116-260, ^a P.L. 117-58, P.L. 117-103 ^a	\$81.0	\$15.4	Nonfederal dam safety projects
P.L. 117-328	\$0	\$7.2	—
P.L. 118-42	\$2.2	\$5.0	Nonfederal dam safety and levee projects ^a
P.L. 119-4	\$2.2	\$5.0	Nonfederal dam safety and levee projects ^a
<i>FY2026 Budget request</i>	\$0	\$0	—

Source: CRS.

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

In May 2023, USACE published a final CWIFP implementation rule ([88 Federal Register 32661](#)). Under the rule, eligibility is limited to nonfederal dam safety projects as required by CWIFP appropriations through FY2023. In September 2023, USACE solicited preliminary CWIFP applications for nonfederal dam safety projects ([88 Federal Register 64892](#)). After evaluating the preliminary applications, USACE in September 2024 invited [18 prospective borrowers to complete their applications for an estimated almost \\$3.19 billion in loans](#). Three other applications are pending. Applicants are responsible for [application fees](#), and prospective borrowers are responsible for [fees to process CWIFP credit assistance](#) and loan payments (33 U.S.C. §3908(b)(7)).

The 2023 rule clarifies that 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. For a project, CWIFP credit assistance supports up to 49% of eligible project costs, or up to 80% for projects serving [economically disadvantaged communities](#).

Credit Subsidy

The volume of credit assistance that CWIFP can provide is determined primarily by the total appropriated amount to support credit assistance (i.e., the amount appropriated to pay the credit subsidy costs of loans) and the credit subsidy cost for each loan. Under the [Federal Credit Reform Act of 1990](#) (FCRA; 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. Various assumptions and estimates are used to determine subsidy costs (e.g., credit ratings of the project borrower, estimated default and recovery rates, loan amount and interest). Projects with lower credit risk would consume less credit subsidy than higher credit risk projects. [USACE calculates](#) subsidy costs on a project-by-project basis.

Issues for Congress

CWIFP policy issues include future funding for the program and the budgetary treatment of certain projects as nonfederal.

- **Funding.** According to the Trump Administration’s [FY2026 budget documents](#), CWIFP funding is proposed to be eliminated because it is “duplicative of other” federal programs, and the program is “arguably outside of the Corps’ mission.” Early indications in the FY2026 congressional appropriations process suggest support among some Members that CWIFP administration funding continue (see the committee-reported version of H.R. 4553).
- **Treatment of certain projects as nonfederal.** Congress provided that nonfederal levee projects are eligible for the FY2024-funded CWIFP assistance. P.L. 118-42 specified that, to be eligible, [a levee must be certified by the Secretary of the Army as not being federally owned](#). USACE has [not advanced its efforts to amend the 2023 CWIFP final rule](#) to incorporate nonfederal levee projects. A related question is whether the nonfederal costs of authorized USACE construction projects are eligible for CWIFP assistance. Many [congressionally authorized USACE projects](#) are aligned with the project eligibilities defined in statute (33 U.S.C. §3905(1)). Congress has required that nonfederal sponsors share in the cost of many USACE projects and assume responsibility for the projects and their maintenance costs after construction. A June 30, 2020, *Federal Register* notice ([85 Federal Register 39189](#)) identified congressionally authorized USACE (and [Bureau of Reclamation](#)) projects as federal assets and therefore ineligible for WIFIA assistance. 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 considered federal assets. Thus, the 2023 final rule indicates that nonfederal costs for congressionally authorized USACE projects are ineligible for CWIFP assistance. Legislation introduced in the 119th Congress (e.g., H.R. 3035, S. 1760), if enacted, would change that eligibility. The bills would provide that assistance from CWIFP and EPA’s WIFIA to a nonfederal entity, if repaid using nonfederal revenues, is to be considered nonfederal for purposes of budgetary treatment under the FCRA.

Another bill in the 119th Congress, S. 570, if enacted, would require that projects receiving assistance under CWIFP and EPA’s WIFIA programs have “payment and performance security.”

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