



# 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—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](#) 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 nonfederal [dam safety](#) projects,
- \$2.2 million supports credit assistance for nonfederal 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 1. 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 <sup>a</sup>
P.L. 117-58	\$64.0	\$11.0	Nonfederal dam safety projects
P.L. 117-103	\$5.0	\$2.2	Nonfederal dam safety projects <sup>a</sup>
P.L. 117-328	\$0	\$7.2	—
P.L. 118-42	\$2.2	\$5.0	Nonfederal dam safety and levee projects <sup>a</sup>
FY2025 Budget request	\$2.0	\$5.0	Nonfederal dam safety projects

**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 applications from prospective CWIFP borrowers 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 \\$3.186 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.

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 the loans) and the credit subsidy cost 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. 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

Policy issues related to CWIFP include

- implementation (e.g., USACE's calculation of subsidy costs, pace of loan closures);
- appropriations for CWIFP credit assistance; and

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- eligible project types.

Regarding eligible project types, 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 as not being federally owned by the Secretary of the Army](#). USACE has yet to implement CWIFP for levees. USACE's future efforts to solicit applications for FY2024 credit assistance may clarify CWIFP eligibility for new nonfederal work on levees originally constructed by USACE and operated by a nonfederal entity. 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 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 maintenance 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 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 for congressionally authorized USACE projects are ineligible for CWIFP assistance.

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