The Water Infrastructure Finance and Innovation Act (WIFIA) program accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for nationally and regionally significant projects. Borrowers benefit from receiving low, fixed interest rate loans with flexible financial terms.

**WIFIA LOANS UNDER A WIFIA MASTER AGREEMENT**

**WHAT IS A MASTER AGREEMENT?**

- A Master Agreement is an umbrella contract between EPA and a borrower, providing an up-front commitment of loan proceeds and a common set of legal and financial terms under which a borrower can close multiple WIFIA loans over time.

**WHEN DOES EPA OFFER A MASTER AGREEMENT?**

- Borrowers seeking WIFIA financing for a combination of projects under a single WIFIA letter of interest may benefit from a Master Agreement when the phasing, cost, scope, schedule, and location of some projects may change as the project develops or when the borrower wishes to finance multiple projects over time that do not share a common purpose.
- Borrowers may request a master agreement in their letters of interest or application, or EPA may offer it.

**HOW DOES THE MASTER AGREEMENT WORK?**

- The WIFIA program will reserve funding for the total amount of the Master Agreement.
- The WIFIA program and the borrower agree to legal and financial terms in the Master Agreement.
- Borrowers execute loans under the Master Agreement as projects are ready to proceed and environmental documentation is complete.

**WHAT ARE THE BENEFITS OF A MASTER AGREEMENT?**

- **Facilitates bundling of staggered projects**
  Prospective borrowers can submit a single letter of interest and application to the WIFIA program and receive multiple loans under the Master Agreement for projects with staggered project development time frames. Using a single letter of interest and application form will reduce the effort and resources expended by a borrower in seeking WIFIA assistance.
- **Ensures access to timely low-cost capital**
  Once a Master Agreement is in place, the WIFIA program will expedite the closing of individual loans under the Master Agreement after the borrower provides notice that funds are needed for a project(s) and EPA completes the applicable federal environmental decision. Individual loans will have a common set of legal and financial terms as outlined in the Master Agreement.
  EPA and the borrower execute individual loans under the Master Agreement using a standard short-form loan agreement. Additional due diligence and documentation at each loan closing is limited. As a result, the WIFIA program can underwrite and document each WIFIA loan under a Master Agreement quickly and at a lower cost than loans closed outside of a Master Agreement.
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**CASE STUDY: HAMPTON ROADS SANITATION DISTRICT SWIFT PROGRAM**

- In June 2019, the Hampton Roads Sanitation District submitted a letter of interest to the WIFIA program for a combination of projects to complete the over $2 billion full-scale implementation of SWIFT (Sustainable Water Initiative for Tomorrow) Program. The project will add advanced water treatment facilities and aquifer recharge wells to five existing facilities throughout the Hampton Roads region.

- After selecting the letter of interest, EPA reserved sufficient subsidy from the FY 2019 WIFIA funding round to make $1 billion in WIFIA loans, totaling 49% of the total program costs. EPA will allocate the funding commitment over multiple WIFIA loans executed under a master agreement with construction for the 20 projects stretching from 2021 to 2031.

- Hampton Roads Sanitation District executed its master agreement and the first WIFIA loan under it for $225 million for four SWIFT projects in September 2020. EPA is expecting a request for a second, $453 million WIFIA loan under the master agreement for an additional 10 projects in spring 2021. Further WIFIA loans to support the remaining projects are expected to be submitted for processing through 2025.

*Photo Credit: Hampton Roads Sanitation District*