



Funding Opportunity – Commercial Fabrication Facilities
FACT SHEET:
Catalyzing Private Investment

CHIPS for America seeks to catalyze private investment in the semiconductor industry, not displace it. For each application, the CHIPS Program Office will dedicate the minimum amount of federal funding necessary to accomplish program goals, and it aims to attract significant private capital to create economically viable projects at sufficient scale. To advance U.S. economic and national security, the CHIPS Program Office has set the following priorities for its investment strategy:

- **Significant activation of private capital.** The CHIPS Program Office will give preference to projects based on the degree to which they have activated significant private capital, whether from applicants or from third parties. This will increase the scale of investment available and ensure that CHIPS funding complements private markets rather than crowding them out.
- **Creative financing structures.** The CHIPS Program Office encourages applicants to think creatively and holistically about how to finance projects. In addition to committing their own capital and seeking third-party investment across the risk-reward spectrum—including from new sources of capital that may not typically participate in the space, such as private debt and infrastructure funds—applicants should consider applying for CHIPS loans and/or loan guarantees as a complement to direct funding requests.
- **Customer commitments and self-sustaining ecosystems.** To fund projects that will be competitive over time, the CHIPS Program Office encourages applicants to create ecosystems (e.g., of suppliers, customers, and workforce training organizations) that increase the likelihood that investments will become self-sustaining. In addition, the CHIPS Program Office encourages the use of customer financing, offtake agreements, prepayments, or other customer contributions to capital or operating expenses that can strengthen a project's finances.
- **Upside sharing for direct funding recipients over \$150 million.** As part of its commitment to protect taxpayer dollars, the CHIPS Program Office will require recipients of more than \$150 million in direct funding to share with the U.S. government a portion of any cash flows or returns that exceed the applicant's projections above an agreed-upon threshold. The CHIPS Program Office will use any upside sharing proceeds to further the objectives of the CHIPS Act and strengthen the U.S. semiconductor ecosystem. Upside sharing will vary from project to project and will likely be material only in instances where the project significantly exceeds its projected cash flows.