

Reauthorization of Development Finance Corporation comes to life. By Adva Saldinger, *Devex News*, 10 Dec 2025

After weeks of tense negotiations and legislative limbo, the U.S. International Development Finance Corporation, or **DFC**, is **poised for a transformative shift**. Lawmakers have attached the DFC Modernization and Reauthorization Act of 2025 to the must-pass National Defense Authorization Act, signaling an end to the agency's temporary extensions [and the beginning of a new, much larger era](#).

If the legislation is passed, [DFC](#) will see its firepower more than triple, my colleague Adva Saldinger writes. The agency's **total spending cap is set to jump from \$60 billion to \$205 billion**, and for the first time, it will have the authority to invest in high-income countries.

But as **Rob Mosbacher**, the former CEO of the defunct Overseas Private Investment Corporation, tells Adva, **neither side got exactly what they wanted**. The bill is a classic example of “horse-trading” among lawmakers when it comes to the key sticking points about expanding the agency's work — particularly in high-income countries — and guarding its core development mission.

So what's in the deal?

- **The HIC compromise:** DFC can now work in high-income countries, but with strict guardrails. These deals are capped at 10% of the agency's total limit, and DFC cannot fund more than 25% of any single project in these nations.
- **Strategic exceptions:** While the bill bans investment in the world's 20 wealthiest nations and "countries of concern" — such as China and Russia — it carves out exemptions for energy, critical minerals, and technology.
- **Equity power:** A new \$5 billion equity revolving fund will allow DFC to retain and reinvest earnings — a major boost for its ability to act like a bank.
- **The price of expansion:** To get the votes, the agency accepted what one expert calls “potential layers of bureaucracy.” The bill establishes a congressional strategic advisory group and demands rigorous notification for deals over \$20 million.

The bottom line: DFC is getting the war chest it needs to compete on the global stage, but the rigorous oversight attached to the money **means it will be operating under a microscope**.

“The greatest concern in my mind is the potential layers of bureaucracy and decision-making that will result from more rigorous congressional oversight and reporting,” Mosbacher says.

Read: [Reauthorization of the US development finance corporation gains traction](#)