



Financial Support for Exports

Export-Import Bank of the United States

Who We Are

- **Mission** – To create and sustain jobs by increasing U.S. export sales
- Official Export Credit Agency (ECA) of the U.S. Government since 1934
- 85% of all transactions are to small businesses
- Target 20% of all authorizations to small businesses
- Self-sustaining



Exporter Supply Chain

Pre-Export

Post-Export

**Working Capital Guarantee
on Exporter Loans**

**Export Credit Insurance on
Buyer Credit**

**Medium and Long Term
Insurance & Guarantees on
Buyer Loans**

Express Trade Credit Insurance

Risk Mitigation Tool: Insure foreign receivables against non-payment due to commercial and political risks

Marketing Tool: Exporters can extend competitive credit terms to foreign buyers to increase sales

Financing Aid: Add previously ineligible foreign receivables into the borrowing base as additional collateral

Express Trade Credit Insurance

Trade credit insurance protects U.S. companies who export on credit terms from buyer defaults due to bankruptcy, insolvency, war, revolution, civil disturbances, foreign government's cancellation of import licenses, and currency inconvertibility.

- ***Express Insurance***: for small businesses only; 95% coverage, 5-day turnaround for one-year policy quote, 10 – 15 days to approve named Buyers, up to 20 Buyers per policy.
- **To Qualify**: be a small business as defined by the Small Business Administration; three years' operating history; a DUNS# (866.705.5711); some exporting experience, or an export plan with Buyers identified, and ready-to-export in 60 days. 50%+ U.S. content of exports is required.
- A 25% discount is available if paired with a USGBS loan.

Global Credit Express

- Provides short-term working capital direct to creditworthy small business exporters in a 6-month to 12-month revolving line of credit up to \$500,000 maximum.
- May be used to finance general export activity, or specific export transactions.
- Is fixed-rate finance from the U.S. Government. Borrower pays an Origination Fee, legal costs and an Exposure Fee to the Export-Import Bank of the U.S.; the origination fee and legal costs are financed by the loan.
- Eligibility: be a small business, have three years' revenue producing operations, and be recommended by a *Lender*.

Bid & Performance Bonds; Advance Payment Guarantees

- Standby letters of credit issued by a commercial bank can serve as a performance or bid bond or as an advance payment guaranty.
- Funding support for Standby Letters of Credit can be provided by the following guaranty loan programs:
 - ***Export Express***
 - Export Working Capital Guarantee – **EWCP**
 - **Ex-Im Working Capital Guarantee Program**
- The guarantee serves as an incentive to the bank to issue the standby letter of credit with less than full, 100% cash collateral.

SBS: **Short-Term Trade Credit Insurance**

- A U.S. government insurance policy that protects U.S. exporters who can increase export sales by offering credit terms to foreign buyers.
- Exporters are protected from buyer defaults due to bankruptcy, insolvency, protracted default, war, revolution, political violence, cancellation of import licenses, and currency inconvertibility with the U.S. dollar.
- Policies can be written:
 - ✓ For one buyer/country at a time
 - ✓ For a global portfolio of buyers
 - ✓ For a global portfolio with some buyers de-selected
- Small businesses pay no first-loss deductible
- Claims can be made on the policy 90 days after buyer defaults
- Bankers may require the insurance for their loans to U.S. exporters.
- A 25% discount is available if paired with a USGBS loan.

Medium-Term Transactions

- Guarantee of a loan for a typical term of one to five years to a foreign buyer of U.S. capital goods and services. No limit. For loans up to \$10,000,000, an alternative insurance policy is available to exporter or lender, with faster approval, less documentation.
- Requires cash down payment to the exporter of 15%. Loan for up to 85% of the transaction is guaranteed to bank/lender at 100% of principal and interest.
- Banking, legal, engineering fees, and local costs may be financed in the loan.
- Eligible borrower/foreign buyers must provide audited financial statements, credit reports, bank references in the application.

SBS: Working Capital Guarantee Program

- **Guarantee of 90% of a loan to U.S. exports to finance a specific export transaction or recurring export sales.**
- **No limit on amount.**
- **Loan finances the pre-export costs of manufacturing and the post-export carrying of eligible foreign accounts receivable.**
- **Loan is asset-based, requiring a monthly report (“borrowing base”) of eligible inventory and eligible accounts receivable , with guaranteed advance rates of 75% and 90%, respectively.**

Ex-Im Credit & Finance Makes a Difference

- Minimize exporters risk
- Strengthen U.S. competitiveness
- Supplement commercial financing



Ex-Im Supports a Variety of Industries

- Manufacturing
- Construction
- Medical
- Mining
- Power-generation
- Aircraft and Avionics
- Services
- Renewable Energy
- Agribusiness
- Wholesale/Retail
- Oil and Gas

Call Ex-Im Bank if you...

...have a foreign **buyer** that wants **credit** terms...

...**export** routinely but your growth in foreign sales is limited because of **fears of non-payment**?

...are **losing** export opportunities because you will only accept a **L/C or cash** upfront?

...**can't find a lender** to finance your overseas purchase orders?

... are encountering **cash flow problems** due to increased foreign sales?

...couldn't get your lender to confirm a L/C from your buyer's bank?

...have a **buyer** that **needs several years** to pay for capital equipment?

Ex-Im Bank USA Regional Offices

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