



Finance and Increase Exports... *While Minimizing the Risks!*

Access Asia- 2019



Who We Are – What We Do



- EXIM Bank is an independent agency of the U.S. Government
- Established in 1934
- Headquartered in Washington, D.C
- **Regional Export Finance Centers:**
 - Eastern:** Miami, New York, Atlanta
 - Central:** Chicago, Detroit, Minneapolis, Houston, Dallas
 - Western:** Orange County CA, San Francisco, Seattle, San Diego
- **Mission:** Support U.S. exports in order to create and sustain U.S. jobs

Our Support Makes the Difference

Minimize risk

Level the playing field

Supplement commercial financing



Our Products Cover the Spectrum

Pre-Export
Financing

Post-Export
Financing

Working Capital
Guarantee

Insurance
Guarantees
Direct Loans

EXIM Bank Support



Working Capital

An EXIM guaranteed credit line may provide the vital funds you need to fulfill new orders. These funds may be used to purchase finished products, raw materials, and supplies as well as cover labor and overhead costs. This guaranteed credit line may even cover standby letters of credit used as performance bonds or bid bonds.



Risk Protection

International sales are challenging enough without the added risk of not receiving payment for your goods or services. EXIM's export credit insurance provides payment coverage for both commercial and political risks. Moreover, your business can count on EXIM to protect your export sales to a single buyer or multiple buyers.



Extend Credit to Buyers

EXIM's export credit insurance enables your company to offer competitive "open account" terms instead of requiring your foreign buyers to pay cash-in-advance, use credit cards, or secure letters of credit. Furthermore, your insured foreign receivables may be assigned to a commercial lender, thereby increasing your company's borrowing base and accelerating its cash flow.



Term Financing

EXIM can provide your foreign buyers with term financing at competitive interest rates and longer repayment terms. Foreign buyers can use these funds to buy U.S.-made capital goods and services, helping your business go global.



Eligibility Requirements

Exporters must :

be in business at least 3 years (unless otherwise noted), have financial statements or tax returns, have a DUNS number

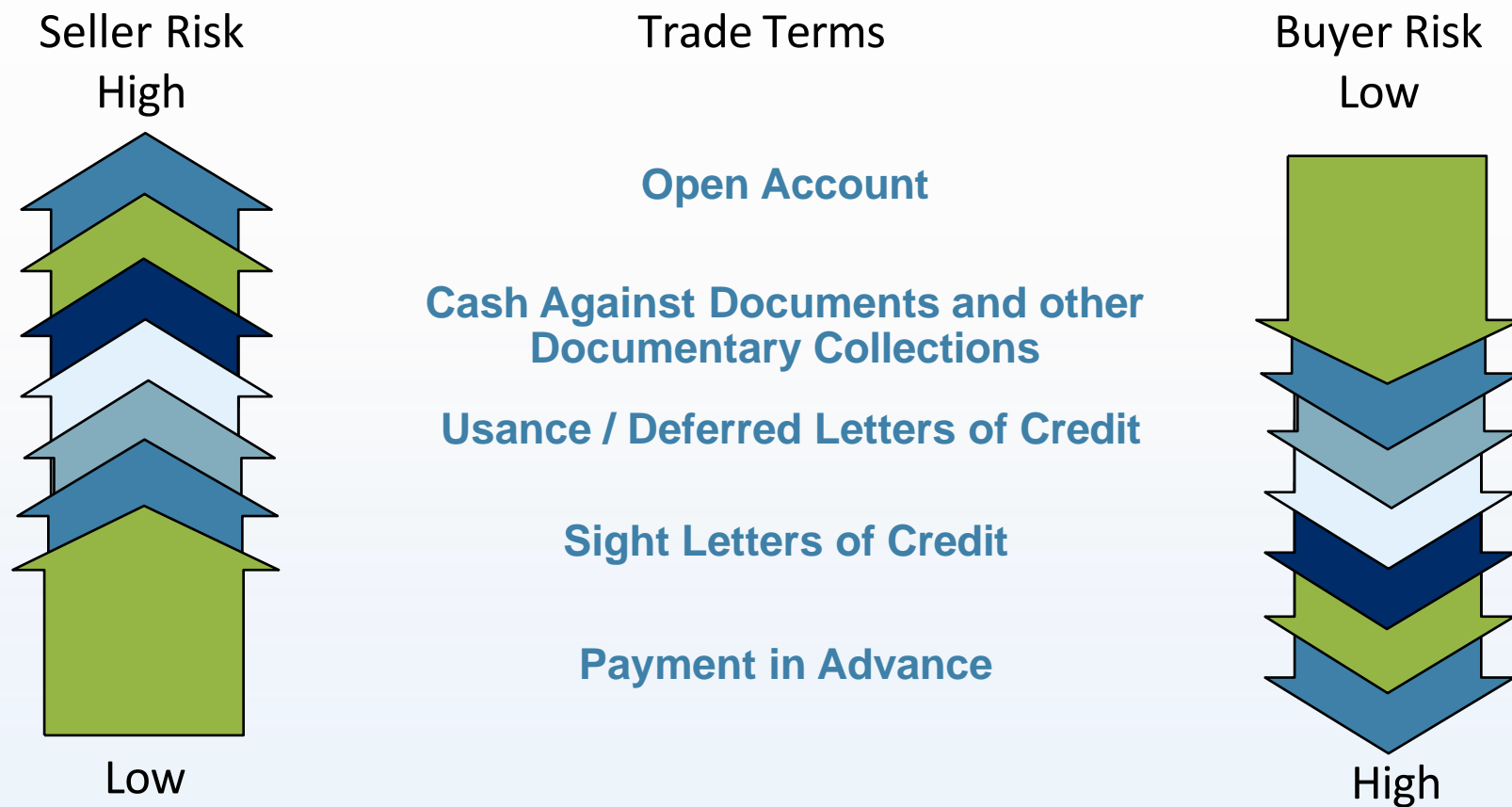
For Working Capital and Short-Term insurance, exported products and services must be:

50-plus% U.S. content, including labor, excluding mark-up (cost basis)

For Medium-Term Insurance and Guarantees, exported products and services must be :

85-plus% U.S. content, including labor, excluding mark-up (cost basis) for full support of the transaction

Trade Terms as a Spectrum of Risk





Export Credit Insurance

Benefits:

RISK PROTECTION: Protects US exporters against non-payment
by foreign buyers due to:

- Commercial Risks & Political Risks (see next slide)

SALES TOOL: Allows exporters to offer competitive credit terms to foreign buyers

- Generally up to 180 days, some products may qualify for 360 day terms

FINANCING AID: obtain additional financing

- Insured foreign receivables may be added to your borrowing base by assignment of policy proceeds (claim payments) to a lender



Risks Covered

Commercial Risks

- Insolvency
- Bankruptcy
- Protracted Default

Political Risk

- Transfer Risk
- War, revolution, insurrection, expropriation
- Cancellation of an import or export license

Short Term Export Credit

Coverage Parameters:

- Up to 180 days, exceptionally 1 year
- 95%, 98% or 100% coverage, depending on policy selected, products exported , and buyer classification
- Insures both commercial and political risks

Lender Policies:

- Bank Letter of Credit
- Financial Institution Buyer Credit

Exporter Policy Options:

- Multi-Buyer, Single-Buyer, “Reasonable Spread of Risk”

Short Term Export Credit

Policies for Small Business*:

- **Express Insurance**

95 % cover, no deductible, pay-as-you-go, EXIM Bank obtains and reviews all credit info on buyers, maximum of 10 buyers

- **Multi-Buyer**

95 % cover, no deductible, pay-as-you-go, some buyer approval authority may be given to exporter

- **Single-Buyer**

90% cover, no deductible, pricing published on www.exim.gov

* SBA definition

Handy Handout



SHORT-TERM EXPORT CREDIT INSURANCE POLICIES FOR U.S. COMPANIES

	EXPRESS INSURANCE	SMALL BUSINESS MULTI-BUYER	STANDARD MULTI-BUYER	SINGLE-BUYER
Target Market	Small businesses new to exporting* with <\$7,500,000 export credit sales and 10 or less buyers. Must have no more than five years of export credit experience	Small business* with <\$7,500,000 export credit sales	Experienced U.S. companies	Any U.S. company desiring to insure only one buyer
Base Coverage	95%. Not all accounts must be covered	95%	95%	90%
Discretionary Credit Limits	None. EXIM approves all buyers	Yes, amount based on U.S. company's experience	Larger amounts for most experienced exporters	None. EXIM approves the one buyer
Deductible	None	None	Yes, amount based on U.S. company's risk portfolio and experience	None
Premium Rate per \$100 (for private sector buyers)**	Same rates for any country risk. Based on payment terms offered to buyers: 1-60 days: \$0.65 61-120 days: \$1.06 121-180 days: \$1.35	Same rates for any country risk. Based on payment terms offered to buyers: 1-60 days: \$0.55 61-120 days: \$0.90 121-180 days: \$1.15	Portfolio tailored rate with discounts for low risk country concentration and many buyers	Premium rates vary according to country of the buyer and length of payment terms exim.gov/tools-for-exporters/exposure-fees/shorttermelclessfinancing
Report Shipments	Monthly	Monthly	Monthly	Monthly
Period Covered	12 months; Renewable	12 months; Renewable	12 months; Renewable	12 months; Renewable
Claim Filing	3-8 months after due date	3-8 months after due date	3-8 months after due date	3-8 months after due date
Policy Issuance Fee	Minimum \$500; Refundable	Minimum \$500; Refundable	Minimum \$500; Refundable	Minimum \$500 for first policy; waived for renewals and repeat small business customers. Refundable if premium paid during the first year exceeds the fee
Foreign Buyer Credit Information	Does not have to be provided by the exporter	Exporter must provide to EXIM	Exporter must provide to EXIM	Exporter must provide to EXIM

* For businesses that meet the Small Business Administration (SBA) definition and whose three-year annual average of export credit sales are not more than \$7.5 million (excluding sales to Canada and secure payment terms such as cash, letter of credit, or sight drafts). Environmental small business policyholders are exempt from the \$7.5 million "exit threshold."

** Different rates apply for letter of credit and sovereign buyers.



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Local experienced regional directors and partners are ready to help companies win sales worldwide. They will answer questions and expedite the application process. Simply call 800.565.3946. Also, see exim.gov/tools-for-exporters for a list of our nearby registered insurance brokers who can assist with applications and policy administration at no additional cost to the exporter, as EXIM pays their commissions. Learn more at exim.gov/what-we-do.



Medium-Term Financing

Generally used for buyer financing of capital equipment

- 85% financed, 15% cash down payment by the buyer (may be financed by a lender)
- Repayment up to 5 years, exceptionally 7 years
- Amounts of \$10 million or less

Financing can be accomplished through the following EXIM Bank products:

- Lender guarantees
- Credit Insurance
- Direct Loans (few)



Just A Few Restrictions

No Military or Defense-related products or obligors

Exceptions: products for humanitarian purposes, drug-interdiction, dual-use

U.S. Content (ST: 50+%; MT: 85% U.S.)

Restricted Countries (CLS)

Economic Impact

Additionality

Country Coverage

- EXIM Bank supports business in many countries throughout the world
- Restrictions may apply for political or economic conditions
- Check the Country Limitation Schedule (CLS) at www.exim.gov (under the “Tools for Exporters” section)

X means support is **not** available



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