

Export, Mitigate Risks, Get Paid

Pre-export Finance Solutions for
Small, Medium-Sized Enterprises

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Country Eligibility

- ❖ Support provided for countries in accordance with Eximbank's Country Limitation Schedule (CLS)*
- ❖ Restrictions may apply for political or economic reasons

* See www.exim.gov for CLS

CLS Exercise

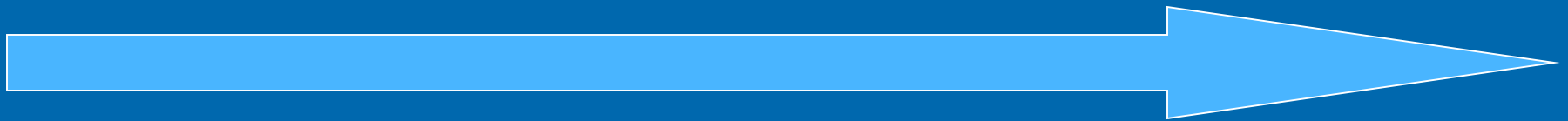
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- ❖ Argentina
- ❖ Belarus
- ❖ Kenya
- ❖ Laos
- ❖ Turkmenistan
- ❖ Venezuela

Covering the Spectrum of Risk

Pre-Export Financing

Post-Export Financing



Working Capital Guarantees

Buyer financing

Insurance

Guarantees

Direct Loans

PRE-EXPORT FINANCING

Working Capital Guarantee Program

Working Capital Guarantee

- ❖ Provides a guarantee to lenders that bears the full faith and obligation of the U.S. government
- ❖ Lenders provide facilities to the exporter under the guarantee
- ❖ Assists SMEs in obtaining working capital to produce or purchase U.S. made goods and services for export

Provides a 90% guarantee of repayment (principal and interest) on loans to exporters. Exporter retains “skin in the game”

May be set up as “transaction-specific” or a “revolving” line of credit

No minimum or maximum amounts

Loans support 75% advance rate on export-related inventory (including WIP) and 90% on foreign receivables

Working Capital Guarantee

Asset-based and fully collateralized

- ❖ Personal guarantees are required of owners
- ❖ Cost: \$100 application fee
 - Up to 1.5% facility fee, which can be reduced
 - Interest rate determined by lender

SBA Export Express and Export Working Capital Guarantee

- ❖ Loans and Lines of Credit under \$500,000
- ❖ Banks that are currently authorized under the SBA Express program are eligible to become approved Export Express lenders.
- ❖ Approved banks make their own credit decision, use their own forms and for loans up to \$350K, receive an 90% guarantee and 75% up to \$500K.

Buyer Financing

.....When a Foreign Buyer Needs
Medium-Term Financing

Buyer Financing

- ❖ Medium-term Financing program available through 10 U.S. banks, regionally through PNC
- ❖ Eximbank provides international buyers financing for machinery and equipment and other large ticket items
- ❖ Takes advantage of low U.S. interest rates, preferable to local rates

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Buyer Financing

Program provides a way for U.S. exporters to cement relationships with international buyers—particularly those in emerging markets

Allows meeting of offers of financing by the U.S. exporter's competition



Buyer Financing

- ❖ Powerful sales tool and differentiator for U.S. companies looking to sell into foreign markets
- ❖ Offers foreign buyer up to five-year terms with a LIBOR or fixed rate option, no local bank support required
- ❖ up to 30% local cost financing
- ❖ Allows exporter to focus on closing the sale with the assurance of cash upon shipment. The buyer pays all charges.

Buyer Financing

- ❖ Allows U.S. supplier to offer financing to foreign buyer
- ❖ Covers 100% of commercial and political risk of loan amount
- ❖ Flexible financing options and repayment terms (usually up to 5 years)
- ❖ No limits on transaction size
- ❖ U.S. exporter removes most risk from his balance sheet and transfers it to bank
- ❖ 15% down-payment

Use of Borrowed Funds

- ❖ Purchase finished goods for export
- ❖ Pay for raw material, labor, overhead to produce goods for export
- ❖ Cover standby LC service as bid bond, performance bond or payment guarantee
- ❖ Finance foreign receivables

Buyer Financing

- ❖ U.S. capital equipment and services
- ❖ Refurbished equipment
- ❖ Software
- ❖ Some banking and legal fees
- ❖ Some local costs and expenses
- ❖ Military or defense items not eligible
- ❖ Sales to military buyers not eligible

Buyer Financing

- ❖ Financing up to 85% contract value provided U.S. content up to 85% of contract
- ❖ Foreign buyer required to make 15% (or larger) down payment
- ❖ Foreign buyer must provide financial statements and other documents and must be credit-worthy
- ❖ Usually takes several months to complete loan documentation
- ❖ Subject to Eximbank country limitation schedule

Buyer Financing

- ❖ 1- 5 year loans
- ❖ For U.S. capital goods and equipment
- ❖ Can be up to 7 years
- ❖ Up to 85% or up to U.S. content
- ❖ 15% or more down-payment required
- ❖ Meets foreign competition
- ❖ Subject to Country Limitation Schedule*
- ❖ Other forms of financing unavailable

*See www.exim.gov

Buyer Financing

❖ Covers exports to:

- Argentina
- Brazil
- Chile
- Colombia
- India
- Mexico
- Peru
- Turkey

QUESTIONS?

FOR ADDITIONAL INFORMATION:

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