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SMALL BUSINESSES OBTAIN LARGER WORKING CAPITAL LOANS UNDER EX-IM BANK/SBA CO-GUARANTEE AGREEMENT

Ohio, Florida and Wisconsin Companies Already Benefiting from Joint Program

WASHINGTON, D.C.: U.S. small business exporters are obtaining larger working capital loans under the new co-guarantee agreement of the Export-Import Bank of the United States (Ex-Im Bank) and the U.S. Small Business Administration (SBA). The new agreement enables Ex-Im Bank to co-guarantee working capital loans of up to \$2 million per exporter under the SBA's Export Working Capital Program. Ex-Im Bank's co-guarantee supplements the SBA's guarantee to help small business exporters obtain larger loans than the SBA could support alone. Borrowers are still able to work through their existing SBA lenders.

"Co-guarantee financing helps those small businesses that do not qualify for larger Ex-Im Bank working capital guarantees but still need more capital than they could obtain under the SBA's program alone. It fills a financing gap to help more small companies expand their exports and employment," Ex-Im Bank Chairman Philip Merrill said.

Recognizing the importance of the Ex-Im Bank/SBA co-guarantee for small business, SBA Administrator Hector Barreto said, "This co-guarantee enables two federal agencies to work together to provide America's small businesses with access to export working capital and helps them grow."

Small businesses in Ohio, Florida, and Wisconsin recently benefited from the new agreement by receiving larger working capital loans from their existing working capital lenders, First American Bank in Elk Grove, Ill., and Fifth Third Bank in Cincinnati, Ohio. They were assisted by local SBA offices in Chicago, Miami, and Cleveland.

Albany Exports Ltd. in Albany, Ohio, is a small business exporter of wood for veneers and furniture to numerous markets in Asia and Europe. The company had obtained a working capital loan backed by the SBA and had used Ex-Im Bank's short-term export credit insurance to cover the risk of buyer default. Under the co-guarantee program, however, Albany Exports Ltd. was able to obtain a working capital loan up to \$2 million, which has helped the company to enter additional markets. The lender is First American Bank.

Caricap Inc. in Coral Gables, Fla., is a small business that exports U.S. products to the Caribbean and Central America. The company had exported primarily pipe and fittings used in plumbing and irrigation but is now expanding the range of its exports, thanks to a \$2 million revolving working capital loan supported by an Ex-Im Bank/SBA co-guarantee. The lender is First American Bank.

With its expanded working capital, the company was able to finance a transaction exporting bathtubs and sinks from Kohler Co. in Kohler, Wis., to the CapCana project in the Dominican Republic and has also been able to export plastic raw materials to Jamaica from Encon Inc., a small business in Dayton, Ohio.

"We're thrilled about the co-guarantee program because it literally saved us on a couple of deals," said Caricap President Christopher Fulton. "It bridges the financing gap between production and export shipment. Our manufacturers want to be paid cash in advance for their products and don't like to use letters of credit. The extra working capital enables us to pay our manufacturers as the shipments occur and we await payment from the foreign buyer." He added that the company is so confident about the new opportunities enabled by the co-guarantee program that they are changing the tagline of the company from "Caricap: Caribbean Central American Plumbing" to "Caricap: Caribbean Capital."

J & Y International Enterprise LLC in Menomonee Falls, Wis., is a small business manufacturer of water and waste water treatment equipment that is using an approximately \$2 million revolving working capital loan co-guaranteed by Ex-Im Bank and the SBA. The lender is Fifth Third Bank in Cincinnati, Ohio.

The company is using the loan for bid bonds, performance bonds, and working capital for its larger exports to its principal market, China, which would not have been possible without the additional funds. Co-owner

James Schwartz said, "This co-guarantee has given J & Y the financial ability to support more than a single large project at one time. Without this guarantee, our company would not be able to continue to grow."

For more information on the Ex-Im Bank/SBA co-guarantee and how to apply, contact the local SBA international credit officer in one of the U.S. Export Assistance Centers located throughout the United States. To find the local representative, visit www.sba.gov/oit.

Ex-Im Bank, the official export credit agency of the United States, helps finance U.S. exports by providing loan guarantees, export credit insurance and direct loans. In fiscal year 2004, Ex-Im Bank assisted in financing \$17.8 billion of U.S. exports to markets around the world. For more information, visit www.exim.gov.