



When the global economy opens up new business opportunities, the **Export-Import Bank** makes them real.



A man wearing a cowboy hat and sunglasses is shown from the chest up, holding a large, wavy orange shape. The background is dark. The text 'PRE-EXPORT FINANCING' is overlaid on the orange shape.

# PRE-EXPORT FINANCING

## Providing working capital to fulfill an export sales order

With Ex-Im Bank's *working capital financing*, you can arrange a loan from a commercial lender, guaranteed by Ex-Im Bank. This product assists your small business in getting the working capital needed to purchase raw materials, supplies, and equipment to fulfill an export sales order. We have generous advance rates and accept a broad range of collateral.

Our working capital financing supports short-term loans that generally extend one year, but can go up to three years. The Ex-Im Bank guarantee covers 90% of the commercial loan. A lender can tailor a funding solution to fit your financing needs, and there are no minimum or maximum limits.

These loans must be secured by export-related collateral. A lender can advance up to 90% for accounts receivable, while inventory and work-in-process receive an advance rate up to 75%. To post bid or performance bonds to support an export order, we only require a 25% collateral pool.



# WORKING CAPITAL GUARANTEE

## Specifying eligibility requirements and fees

**Eligible Exporters:** Qualifying companies must have at least a one-year operating history and a positive net worth. Your company must be located in the United States, but may have foreign ownership.

**Eligible Exports:** Products must be manufactured in and shipped from the United States and have at least 50% U.S. content. Services (e.g., engineering and consulting) must be performed by U.S.-based personnel. We generally cannot support military items or buyers. Ex-Im Bank also cannot support exports to some countries and under certain terms (please refer to our Country Limitation Schedule at [www.exim.gov](http://www.exim.gov)).

**Eligible Lenders:** Ex-Im Bank has many pre-approved lenders who can quickly process a loan with our guarantee. For a list of these Delegated Authority lenders, please refer to [www.exim.gov](http://www.exim.gov).

**What it Costs:** In addition to lender fees, we charge an up-front facility fee of 1.5% per annum; a reduced fee of 1.0% per annum is available for lower-risk transactions. We also charge a \$100 application fee.





**AMERICAN SCIENCE & ENGINEERING (AS&E) INC.  
BILLERICA, MASSACHUSETTS**

**SUCCESS STORY**

- Product** This high-technology business develops, manufactures, and services X-ray cargo inspection systems.
- Challenge** AS&E required a credit line to support standby letters of credit, which were needed by its buyers to serve as advance payment guarantees and performance bonds.
- Solution** An Ex-Im Bank working capital guarantee allowed the company to free up their resources and expand their business.
- Result** Our significantly lower collateral requirements gave AS&E the ability to expand internationally and turn business opportunities into reality. Thus, Ex-Im Bank has become a critical partner in AS&E's long-term growth strategy.





## Protecting the credit you extend to buyers

Our short- and medium-term *export credit insurance* covers the risk of buyer nonpayment for most commercial and political reasons. It also allows you to give buyers competitive terms of credit. With limited risk, you can sell to more buyers and compete vigorously in international markets. Another benefit of our insurance is the ability to assign your insured accounts receivable to a commercial lender and borrow against these receivables to increase your cash flow.

*Short-term* insurance (generally up to 180 days) is available for items such as consumables, raw materials, and spare parts, while *medium-term* insurance (generally up to five years) is available only for capital equipment and related services.

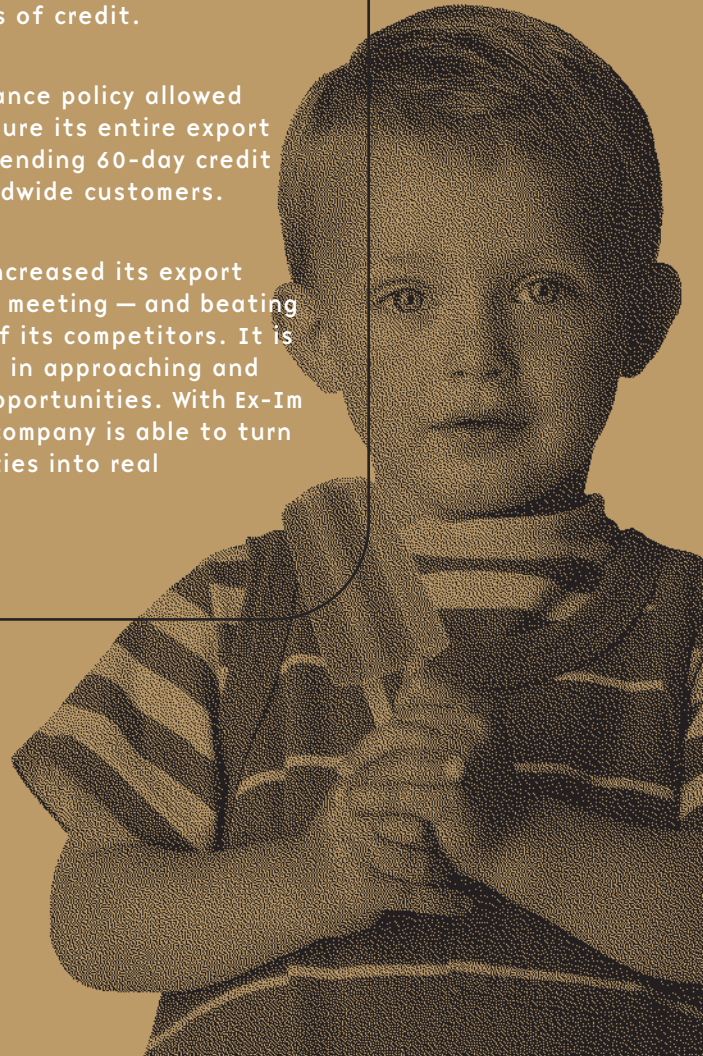
Ex-Im Bank offers a variety of insurance policies to meet your needs. Our two basic formats are a *multi-buyer* policy, covering an entire export portfolio, or a *single-buyer* policy, covering single or multiple shipments to one buyer. We also offer a special policy for small businesses, with increased coverage, no deductible, and a special enhancement to assist in obtaining financing.



**LULU DESSERTS  
VERNON, CALIFORNIA**

**SUCCESS STORY**

- Product**      Frozen fruit bars and ready-to-eat gelatin desserts
- Challenge**    This small, woman- and minority-owned business had the production capacity to export its desserts worldwide, but could not risk foreign credit losses. The result was lost business opportunities due to restrictive sales terms such as cash in advance and letters of credit.
- Solution**      A multi-buyer insurance policy allowed LuLu Desserts to insure its entire export portfolio, while extending 60-day credit terms to all its worldwide customers.
- Result**        LuLu Desserts has increased its export sales and profits by meeting — and beating — the sales terms of its competitors. It is now more confident in approaching and accepting export opportunities. With Ex-Im Bank support, the company is able to turn business opportunities into real transactions.







## Outlining coverage and costs

**Coverage:** *Commercial risks of default* — buyer's inability to pay because of a financial difficulty (insolvency, bankruptcy)

*Political risks of default* — political violence (war), cancellation of an export/import license, or inconvertibility of U.S. dollars in a legal market

Coverage is not available for exports to some countries restricted in our *Country Limitation Schedule* (CLS) available at [www.exim.gov](http://www.exim.gov), and the sale of military items or to military buyers is generally prohibited.

**Content Requirements:** Goods must be shipped from the United States. For short-term insurance, the goods must contain at least 50% U.S. content. For medium-term insurance, at least 85% U.S. content is required to finance the entire transaction, or coverage may be provided for just the U.S. portion.

**Costs:** Premiums and fees depend on many variables, including term, buyer-type, and country. For our multi-buyer policies, you pay monthly premiums based on the gross invoice value of your shipments.





**GENETIC RESOURCES INTERNATIONAL  
HOUSTON, TEXAS**

**SUCCESS STORY**

- Product** Live cattle, cow embryos and bovine germplasm
- Challenge** Genetic Resources International was unable to offer credit terms to its international buyers, limiting the amount of sales it could make to each customer.
- Solution** Single-buyer insurance policies allowed the company to extend credit terms to its customers and gain a competitive edge. Since more working capital was needed, the company's insurance was assigned to a lender to obtain financing for its accounts receivable.
- Result** Now the business can sell more to existing customers and also enter new markets, increasing overall export sales.





# BUYER FINANCING

## Supporting lender financing for your buyers

We support the export of U.S. goods and services by guaranteeing or insuring loans made to your international buyers. Ex-Im Bank can insure a lender against nonpayment for a short-term credit provided to your buyer with a *financial institution buyer credit* policy. This is typically used for non-capital items.

With our *medium-term financing* products (typically up to 5 years and under \$10 million), we can protect the lender with either a loan guarantee or a medium-term insurance policy (your lender can decide which is most appropriate for the transaction). This option is used for capital goods and related-services. The buyer is required to make at least a 15% down payment, and the remaining portion is covered by Ex-Im Bank support.

For *long-term financing* needs (up to 10 years and over \$10 million), we offer loan guarantees with the same down payment requirements as under the medium-term. In some cases, we will even extend a *direct loan* to your international buyers.



**REGIONAL OFFICES**

NEW YORK, CHICAGO, HOUSTON, MIAMI, LONG BEACH,  
SAN FRANCISCO, ORANGE COUNTY [CA], AND WASHINGTON, DC

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