



EXPORT WORKING CAPITAL GUARANTEE

Frequently Asked Questions

Where does the Lender submit the application and completed loan package? The Lender submits a completed Ex-Im Bank-SBA Joint Application for Working Capital Guarantee, along with other required information on the exporter to the SBA Senior International Credit Officer in the USEAC serving the geographic area where the small business exporter's headquarters is located.

Does the Lender have to follow the Ex-Im Bank Country Limitation Schedule [CLS] under this program? Yes and No. Yes, the Lender has to follow Ex-Im's CLS only to the extent that the foreign buyer or end user is located in a country where US government support is prohibited – item 7 on the CLS. Other than Item 7, the Lender is not required to follow CLS requirements.

Is Delegated Authority available under this program? Currently Delegated Authority is not available under this program; however, typical processing time is one week from the date of receipt of a fully completed package. SBA is in the process of updating the program to allow Delegated Authority.

Can the Lender separately collateralize the 10% retention of risk that is required under this program? No, the Lender cannot separately collateralize the 10% retention of risk.

Can the proceeds of the guaranteed line support the export of any defense related articles or services? Yes, however the proceeds cannot be used to support the export of technology, fuel, equipment, materials, or goods and services to be used in the construction, alteration, operation or maintenance of nuclear power, enrichment, reprocessing, research or heavy water production facilities.

Can the proceeds of the guaranteed line support the export of indirect sales or services? Yes

Can the proceeds of the guaranteed line be used to repay pre-existing debt? No. The proceeds of the guaranteed line cannot be used to repay pre-existing debt except in the case of rolling over a pre-existing export working capital line guaranteed under the program.

Can the proceeds of the guaranteed line be used to support the purchase of goods or services that are backed by a Letter of Credit, Purchase Order or Contract? Yes

Is export credit insurance required for advances on receivables under this program?
No

Is there a US content requirement under this program? No. SBA does ask that to the extent practicable, the exporter purchase only American-made equipment and products with the proceeds of the Loan. All products must be shipped from the United States. SBA does not allow the proceeds of the loan to be used for “drop ship”.

Is the Lender required to provide RMA comparisons or an “additionality” justification? There is no requirement for the Lender to provide RMA comparisons or an additionality justification. In signing the Lender Certification section of the Ex-Im Bank – SBA Joint Application for Working Capital Guarantee, the Lender already certifies that it would not be willing to make the loan without the guarantee of Ex-Im Bank or SBA.

Who monitors the loan?

The Lender monitors the loan in accordance with the SBA Loan Authorization. All requests for amendments are directed to the Senior International Credit Officer at the USEAC that handled the original approval.

What happens in the case of a default or liquidation?

All requests from the Lender are directed to the Senior International Credit Officer at the USEAC that handled the original approval. The Lender must inform SBA of any material adverse change in the financial or other condition of a borrower under the guaranteed loan. SBA’s guarantee is a deficiency guarantee. That is, the Lender, with prior SBA approval, handles all matters related to collection of the default. If, after all collection efforts are exhausted, there is a balance remaining under the guaranteed line, the Lender submits a purchase request to SBA.

ADDITIONAL INFORMATION

For more information on the Export Working Capital 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 or contact the person below.

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