



SBA & EX-IM BANK CO-GUARANTEE PROGRAM

PRODUCT DESCRIPTION

This program is designed to provide small business exporters the ability to obtain larger export working capital loans through the Export Working Capital Program than SBA can support alone. The Co-Guarantee offers flexible terms, low fees and quick processing time.

ELIGIBLE LENDER

Any Lender that participates in SBA's 7(a) Guarantee Loan Program.

ELIGIBLE EXPORTERS

- Any sole proprietorship, partnership or corporation, which operates as a going concern and meets SBA's definition of an eligible small business concern.
- Must have an operating history of at least one year (not necessarily in exporting) and a positive net worth.
- Must be a commercial entity, domiciled in the United States or its possessions.
- Principal(s) must be either a U.S. Citizen, a Legal Permanent Resident, or have long-term management personnel with U.S. citizenship or Legal Permanent Residency.

ELIGIBLE BUYERS

The foreign buyer must be a creditworthy entity located in an acceptable country in conformity with the Ex-Im Bank's Country Limitation Schedule.

MAXIMUM LOAN AMOUNT

The total export working capital line cannot exceed \$2,000,000

GUARANTEE COVERAGE

90% of the Principal and accrued Interest up to 180 days

TERM OF LOAN

Guarantee maturities are generally for a term of 12 months. At the end of the 12-month maturity a borrower may reapply for a new guarantee.

GUARANTEE FEE AND INTEREST RATES

- Guarantee fee is one quarter of one percent ($\frac{1}{4}$ of 1%) on the guaranteed portion of the loan.
- Borrower negotiates interest rates with Lender



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USE OF PROCEEDS

- To acquire inventory for export or to be used to manufacture goods for export.
- To pay the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support Standby Letters of Credit related to export transactions.
- For pre-shipment working capital directly related to export orders.
- Finance foreign accounts receivable.

INELIGIBLE PROCEEDS

- Goods or services with less than 50% U.S. content.
- To support the export of any Defense Articles or Defense Services.
- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business
- To acquire, equipment, or rent commercial space overseas.
- To serve as a Warranty Letter of Credit.

COLLATERAL REQUIREMENTS

- Guaranteed loans must be fully collateralized at all times.
- Collateral for the manufacturing sector typically consists of a first lien on all export-related inventory, export related accounts receivable and export related general intangibles.
- Collateral for the service sector typically consists of assignment of proceeds of export-related contracts or purchase orders and a first lien on export-related accounts receivable.
- Other collateral may be required.

APPLICATION PROCESS

- A small business exporter seeking a Co-Guaranteed loan must apply to a Lender that is a participant in SBA's 7(a) Guarantee Loan Program. Loans using PLP and SBAExpress processing are not permitted.
- The Lender must submit a completed Joint Application for Working Capital Guarantee and loan package to SBA.
- SBA evaluates and processes the application in accordance with SBA rules for its Export Working Capital loan program.

ADDITIONAL INFORMATION

For more information on the SBA & Ex-Im Bank 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 your local representative, visit www.sba.gov/international.



Export-Import Bank of the United States
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