



SBA & EX-IM BANK CO-GUARANTEE PROGRAM

Frequently Asked Questions

Does the Lender have to apply to SBA and Ex-Im Bank separately?

No, the Lender submits a completed Ex-Im Bank-SBA Joint Application for Working Capital Guarantee (EIB-SBA Form 84-1), along with other required information on the exporter to the SBA Regional Manager for International Trade Programs in the U.S. Export Assistance Center (www.sba.gov/international) serving the geographic area where the small business exporter's headquarters is located.

Will the Lender have to follow both SBA and Ex-Im Bank's requirements for export working capital guarantees under this program?

No, the loan is evaluated and processed in accordance with SBA rules for its Export Working Capital Guarantee program with the following exceptions:

- Where the loan proceeds support the export of any goods or services whose cost consists of less than 50 percent U.S. content.
- Where the loan proceeds support the export sale of any item where the terms of sale are not in compliance with Ex-Im Bank's Country Limitation Schedule (www.exim.gov).
- Where the loan proceeds support the export of any Defense Articles or Defense Services.

Which Lenders are eligible to submit a loan application under the Co-Guarantee?

Any Lender that is a participant in SBA's 7(a) Guaranty Loan Program is eligible to submit an application under the Co-Guarantee. PLP and SBAExpress processing are not eligible for an Ex-Im Bank Co-Guarantee.

Where does the Lender send the loan application package?

The Lender must submit a completed Joint Application for Working Capital Guarantee (EIB SBA Form 84-1) and loan package to the SBA Regional Manager for International Trade Programs in the U.S. Export Assistance Center serving the geographic area where the small business exporter's headquarters is located. This is the same practice followed by Lenders who submit loan packages under the SBA Export Working Capital Guarantee.

What happens after the application is received by SBA?

SBA processes the Export Working Capital Program (EWCP) loan application in accordance with SBA rules for this loan program. After SBA approves the EWCP loan application, it submits a request for a Co-Guarantee to Ex-Im Bank. Within seven business days of receipt of the SBA request, Ex-Im Bank will advise the SBA Regional Manager for International Trade Programs of Ex-Im Bank's decision.



How will the Lender know what the guarantee fees are and to whom they should be paid?

The Lender must pay SBA the amount of SBA fees set forth in the Loan Authorization. The Lender must also pay Ex-Im Bank the Ex-Im Bank Co-Guarantee Fee set forth in the SBA/Ex-Im Bank Co-Guarantee Addendum. The Lender is responsible for paying SBA and Ex-Im Bank each agencies fee separately.

Who monitors the loan?

The Lender monitors the loan in accordance with SBA servicing rules. If the SBA servicing rules require SBA approval of an action, SBA will provide Ex-Im Bank with notice of the servicing action concurrently with SBA approval.

What happens in the case of a default or liquidation?

The Lender must inform SBA of any material adverse change in the financial or other condition of a Borrower under a Co-Guarantee loan. SBA will notify Ex-Im Bank.

The Lender must liquidate (and litigate, if necessary) all Co-Guarantee loans in accordance with SBA rules. SBA will be responsible for oversight of Lender liquidation and litigation. SBA has the sole discretion to approve liquidation/litigation actions and will provide Ex-Im Bank with notice of SBA's approval. To the extent that any liquidation actions can be taken after the Lender's completion of liquidation, SBA will pursue collection of all amounts due itself and Ex-Im Bank.

What happens if the Lender requests a purchase under the Co-Guarantee?

If the Lender requests a purchase of the Co-Guarantee loan, the Lender prepares a joint purchase request to SBA and Ex-Im Bank which is sent to SBA only. After SBA has examined all of the Lender's purchase documentation, SBA will determine for its own behalf and on behalf of Ex-Im Bank whether or not the joint purchase request should be honored. SBA and Ex-Im Bank will separately pay the Lender each agency's respective guaranteed share of the approved joint purchase request.

If any liquidation/litigation remains to be completed after SBA and Ex-Im Bank have paid the Lender on the joint purchase request, Ex-Im Bank, SBA, and the Lender will share all proceeds recovered in connection with the Co-Guaranteed loan, less reasonable costs of collection and any amounts due the Lender, on a pro rata basis.

ADDITIONAL INFORMATION

For more information on the SBA & Ex-Im Bank Co-Guarantee and how to apply, contact the local SBA Regional Manager for the International Trade Programs in one of the U.S. Export Assistance Centers located throughout the United States. To find your local representative, visit www.sba.gov/international.

