



EXPORT WORKING CAPITAL GUARANTEE PROGRAM

PRODUCT DESCRIPTION

This program enables U.S. exporters to obtain loans that facilitate the export of goods or services. These working capital loans, made by commercial lenders and backed by our guarantee, provide the exporter liquidity to accept new business, help grow international sales and compete more effectively in the international marketplace. The Program offers flexible terms, low fees and a quick processing time.

ELIGIBLE LENDER

Any Lender with at least three years' operating history may apply for eligibility under the 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 US Citizen, a Legal Permanent Resident, or have long-term management personnel with US citizenship or Legal Permanent Residency. .

ELIGIBLE BUYERS

The foreign buyer must be a creditworthy entity located in an acceptable country.

MAXIMUM LOAN AMOUNT

The total export working capital line with a 90% guarantee cannot exceed \$1,666,666.

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.
- Borrowers may also have other current SBA guarantees as long as the SBA's total guarantee exposure does not exceed \$1,500,000.

GUARANTEE FEE AND INTEREST RATES

- Guarantee fee is one quarter of one percent (1/4 of 1%) on the guaranteed portion of the loan for guarantees of one year or less.
- Borrower negotiates interest rates and all other fees with Lender.

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.
- For post-shipment foreign accounts receivable financing.

INELIGIBLE PROCEEDS

- To support the applicant's domestic sales.
- To acquire fixed assets or capital goods for the applicant's business.
- To support a sale where the exporter is not taking title to the goods.
- To acquire, equip, 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 and export related accounts receivable.
- 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 Guaranteed loan must apply to a Lender.
- The Lender must submit a completed Joint Application for Working Capital Guarantee and loan package to the SBA USEAC Senior International Credit Officer located in the Borrower's geographical area.

ADDITIONAL INFORMATION

For more information on the SBA Export Working Capital Guarantee Program 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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