



Medium-Term Delegated Authority (MTDA) Program

The Medium-Term Delegated Authority (MTDA) Program of the Export-Import Bank of the United States (Ex-Im Bank) provides a framework for partnership between Ex-Im Bank and experienced lenders to facilitate use of Ex-Im Bank's medium-term export-credit financing. The MTDA Program is designed to reduce transaction turnaround time, leverage Ex-Im Bank's medium-term program resources and increase lender utilization of the Bank's medium-term programs, while maintaining credit quality and program integrity. Lenders will share in credit risk and receive a portion of Ex-Im Bank's exposure fee. Transactions involving small businesses will be eligible for a greater level of Ex-Im Bank risk coverage.

Under the MTDA Program, approved lenders will have delegated authority to underwrite and authorize Ex-Im Bank-guaranteed medium-term export credits. To assist in the performance of these delegated functions, Ex-Im Bank will provide delegated-authority training to approved lenders, particularly in the application of Ex-Im Bank policies and credit standards. The

MTDA Program does not change the "unconditional" nature of Ex-Im Bank's medium-term guarantee or broaden the scope of Ex-Im Bank's standard indemnity rights. However, a delegated-authority lender's failure to comply with MTDA Program parameters may lead to a reduction in lending limits or possibly suspension or termination of the lender's delegated authority.

Scope: Ex-Im Bank will determine individually the level of delegated authority for each approved lender. The maximum MTDA Program lending limits with respect to lender usage, obligor exposure and credit amount are as follows:

- *Individual Lender Limit:* Up to \$100 million. The maximum aggregate outstanding principal amount of all credits that may be approved by a lender under the MTDA Program.
- *Obligor Limit:* Up to \$10 million. The maximum aggregate outstanding principal amount of all credits involving the same obligor that may be approved by a lender under the MTDA Program.
- *Credit Limit:* Up to \$10 million. The maximum principal amount of any credit approved by a lender under the MTDA Program.

Risk Sharing: Ex-Im Bank will provide 90 percent commercial risk coverage, and the lender will retain 10 percent of the commercial risk. For credits designated as "small-business transactions," the lender's risk retention is reduced to 8 percent. To qualify as a small-business transaction, either the related exporter or the supplier(s) of at least half of the dollar value of the goods being financed must constitute a small business in accordance with the size standards of the Small Business Administration.

The lender's risk retention is covered by Ex-Im Bank's standard political-risk guarantee (i.e. 100 percent political-risk coverage). Lenders are not allowed to collateralize their risk retention separately, but they may transfer half of the retained risk to the related exporter or a local bank that has a credit relationship with the borrower or any guarantor.

Fee Sharing: Under the MTDA Program, lenders will be permitted to retain 10 percent of the Ex-Im Bank exposure fee.

Credit Standards: The MTDA Program allows a lender to use either Ex-Im Bank's MTDA Program credit standards (derived from Ex-Im Bank's standard medium-term credit standards) or the lender's internal credit standards that have been pre-approved by Ex-Im Bank.

Documentation: The MTDA Program documentation consists of a Delegated Authority Lender Agreement (DALA) and Master Guarantee Agreement (Medium-Term Credits – Medium-Term Delegated Authority Program).

Lender Eligibility Criteria: As the MTDA Program delegates to the lender the significant functions of credit underwriting, conducting participant due diligence and ensuring Ex-Im Bank policy compliance, eligibility is limited to lenders who can demonstrate sufficient capacity and capability to perform these important functions. In evaluating applicants for eligibility and determining appropriate levels of delegated authority, Ex-Im Bank will consider the following performance criteria:

(1) Medium-Term Lending Experience – A material track record in the requested delegated authority market(s), consisting of either (a) satisfactory experience in extending credit under Ex-Im Bank's medium-term programs for a period of at least five years, or (b) a satisfactory history of performance in extending medium-term credits without Ex-Im Bank support.

(2) Transaction Due-Diligence Capabilities – Adequacy of resources, processes and expertise to analyze, in accordance with Ex-Im Bank's guidelines, the character, reputation and business practices of the transaction parties.

(3) Underwriting Capability – Adequacy of resources, processes and expertise to assess the creditworthiness of emerging market borrowers in accordance with Ex-Im Bank's credit standards or the lender's internal credit standards approved by Ex-Im Bank.

(4) Loan Monitoring and Administration – Capability to monitor and manage Ex-Im Bank supported loans effectively and to adhere to the administrative requirements of Ex-Im Bank's medium-term programs.

To Apply: Lenders interested in becoming a delegated-authority lender under the MTDA Program should submit a request to:

Vice President
Trade Finance Division
Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571

Such request should be accompanied by evidence of satisfaction of lender eligibility criteria, including a copy of the lender's most recent annual report or audited financial statements.

The request should include responses to the following points:

1. Geographical distribution of the lender's medium-term portfolio (authorizations, outstandings, claims/losses over the last five years)
2. Details regarding significant economic-sector-based exposures in terms of (i) what they are and (ii) special underwriting that the lender does in connection with these sectors
3. Statement as to whether the lender will use its credit standards* or Ex-Im Bank's
4. The desired aggregate credit limit being requested and the basis for the amount being requested
5. List of expected markets with corresponding levels of expected activity in each of those markets

*If the lender elects to use its own standards, a description of those standards (preferably a credit-underwriting manual) should be provided to Ex-Im Bank.

For more information on this program, please contact Tom Fitzpatrick, Trade Finance Division senior relationship manager at (202) 565-3642 (email: tom.fitzpatrick@exim.gov).

This documentation is for informational purposes only and is nonbinding. The complete terms and conditions of the program are set forth in the program documentation. The foregoing does not constitute an offer or commitment by the Export Import Bank of the United States or its employees to provide delegated authority, any specific terms or a guarantee to any person.

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