



**FACT SHEET:  
CREDIT GUARANTEE FACILITY PROGRAM  
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In order to facilitate the sale of U.S. capital goods and related services, Ex-Im Bank has established the Credit Guarantee Facility (CGF) Program.

Credit guarantee facilities are lines of credit between a bank in the U.S. and a foreign bank (or occasionally a large foreign buyer). Ex-Im Bank guarantees the repayment of the foreign bank's obligations. The foreign bank then makes credit available to the end user of the U.S. exports and takes the repayment risk of that local company. CGFs may offer repayment terms of two to five years based upon the support being provided for capital goods and services that generally are viewed as appropriate for medium-term support. Exports typically sold on shorter terms are not covered under such facilities, nor exports that automatically require additional review (e.g., nuclear-related exports). In the case of exports representing major capital goods or services where the applicant has requested longer than five-year repayment terms, a maximum of a seven-year repayment may be offered, subject to review by the Engineering and Environment Division and prior to authorization, to determine if the useful life of the exports warrants repayment terms beyond five years.

U.S. exporters do not need to go through the Ex-Im Bank application process. They should direct their buyers to an on-lending bank in their country to obtain the credit. The U.S.-based bank will disburse to the U.S. exporter. Since the lines are preapproved and individual transactions do not require Ex-Im Bank's review, the process can move very quickly.

The CGF's also enable smaller foreign businesses to obtain U.S. dollar credits which might otherwise have been unavailable from Ex-Im Bank. They must, however, be found creditworthy by the on-lending bank.

Under the CGF's, Ex-Im Bank's standard guarantee coverage is available: 100 percent of principal and interest for up to 85 percent of the U.S. export value, with either floating or fixed rates, plus Ex-Im Bank's exposure fee, if financed. The buyer must make a 15 percent cash payment to the exporter outside of the CGF.

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