



EXPORT-IMPORT BANK  
*of the* UNITED STATES

Jobs Through Exports

# Structured and Project Finance at Ex-Im Bank

## A Quick Introduction



# What You Will Learn Here

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- What cases does the Structured Finance Division handle?
- What is the difference between “project” and “structured” finance?
- What are the basic principles of a limited recourse structure?
- How long will my PF transaction take to process?
- Who at Ex-Im gets involved in PF transactions?



# The Structured Finance Division

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The SFD handles transactions that are:

1. corporate credits (no bank or sovereign guarantee) for over \$10 million
2. “structured”
3. limited recourse project financings



# Structured & Project Finance: What is the Difference?

## Structured (Typical)

- Existing company borrower financing an expansion
- Full recourse to borrower
- Analyze historical & projected cash flows
- Limited “perfection of security”
- Can finance 85% of project costs (subject to U.S. content rules).

## Project Finance

- SPV borrower financing a greenfield project or expansion
- Limited recourse to parent companies
- Analyze project’s future cash flows
- **Complex documentation to perfect security**
- **More than 15% equity required, so total debt provided less than 85%**



# Terms (OECD guided)

## Structured Finance

- Pay interest during construction (IDC)
- Maximum repayment term usually 10 years
- Flexible amortization in some cases limited by WAL of 5 to 6.25 years
- Finance for: local costs connected to export contract, ancillary fees

## Project Finance

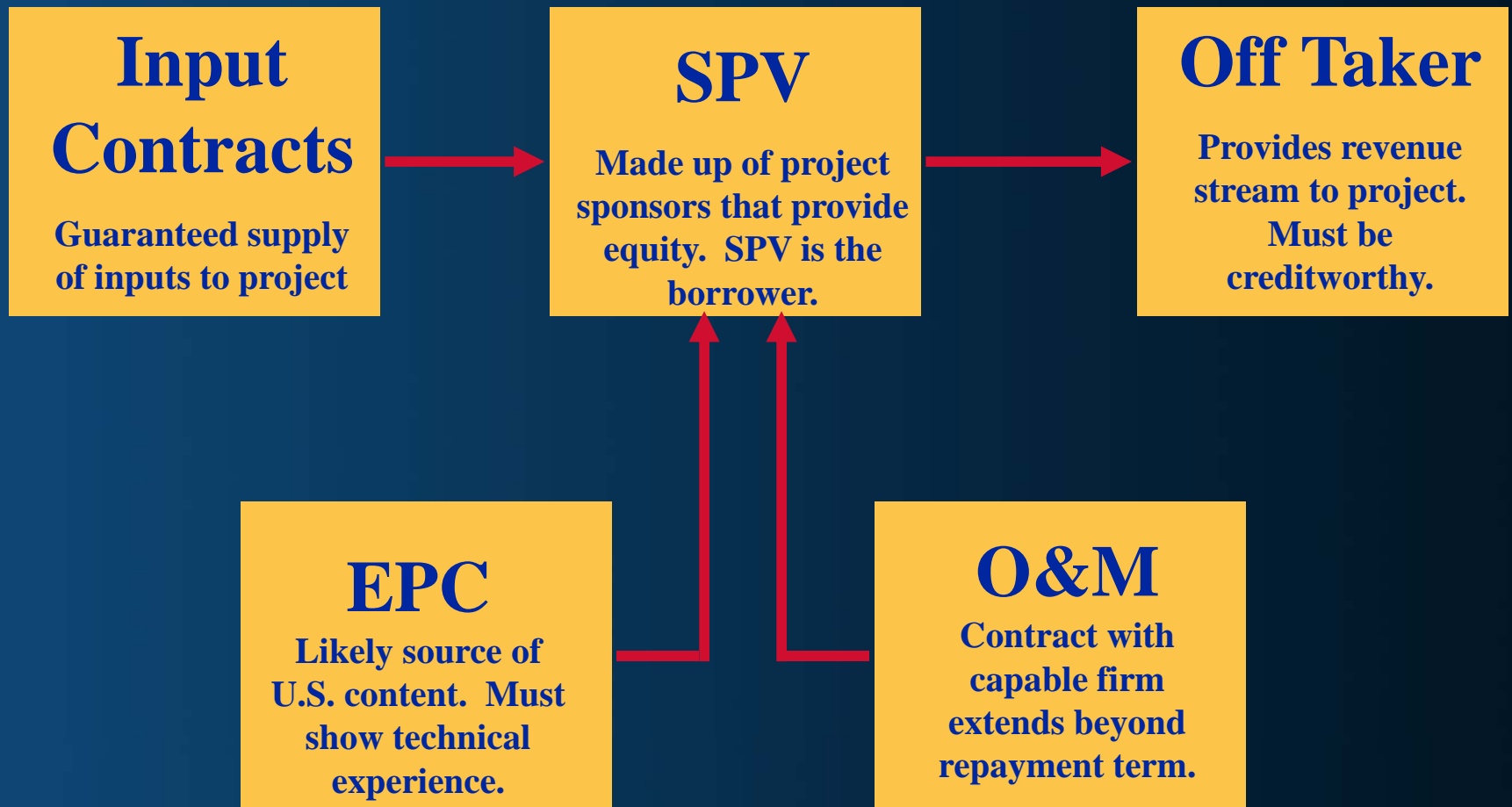
- Capitalize IDC
- Maximum repayment term usually 14 years
- Flexible amortization limited by WAL of 7.25 years
- Finance for any local costs up to 30% of U.S. contract value and ancillary fees



# PF Project Structure

## Host Government

Legal /regulatory framework & evident support





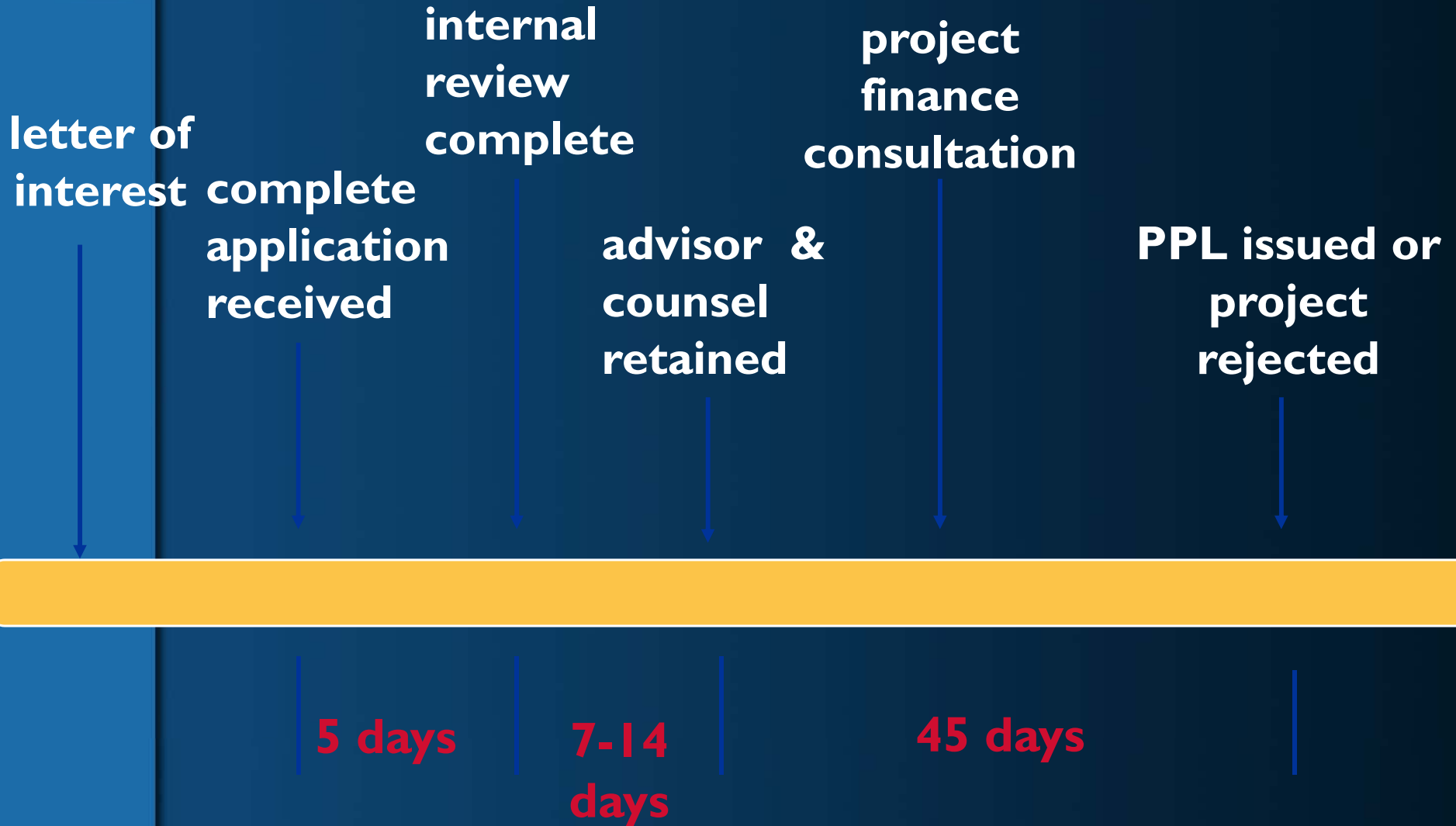
# Top Questions to Ask Yourself

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1. What is being exported from the U.S.?
2. Is the transaction CLS compliant? (based on the borrower for structured transactions and the offtaker for limited recourse deals)
3. What structure are you proposing?
4. If yours is a limited recourse transaction:
  1. Who are the sponsors?
  2. How much equity is provided?
  3. Is the offtaker creditworthy?
  4. Who is your financial advisor?



# PROJECT FINANCE PROCESS: Phase I







# PROJECT FINANCE PROCESS: Phase II

**PPL  
issued**

**Sponsor/Ex-Im  
negotiation of key  
financial terms**

**internal  
board  
action**

**Congressional  
review complete  
final Board approval**

**time for issue resolution**

**document  
execution**

**35 days**

**disbursement**

**financing negotiations**

**conditions precedent**



# The Ex-Im Bank Team

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- International and Domestic Business Development
- Structured Finance Division
- Other parts of the Bank
  - General Counsel
  - Engineering and Environment
  - Country Risk Analysis
  - Board of Directors
  - Credit Review and Compliance
  - Asset Monitoring