



Provide Competitive Financing for Foreign Buyers

Benefits

- Allows buyers to purchase more from U.S. companies U.S.-dollar financing
- Provides flexible financing options and repayment terms
- Contains no transaction size limitations

Ex-Im Bank assists U.S. companies by guaranteeing financing to creditworthy foreign buyers, both private and public sectors, for purchases of U.S. capital goods and services. With Ex-Im Bank's loan guarantee, these buyers are able to obtain competitive term financing from lenders when financing is otherwise not available or there are no economically viable interest rates on terms over one-to-two years. Finance leases are also supported as some buyers prefer an alternative to traditional installment loans.

In turn, exporters receive payment at the time of shipment. With this payment guarantee, U.S. companies have more confidence to compete for sales in new markets worldwide.

Financing Coverage

The Bank's loan guarantee covers 100% of principal and accrued interest on any amount. The total level of Ex-Im Bank support will be the lesser of 85% of the value of all eligible goods and services in the U.S. supply contract or 100% of the U.S. content in all eligible goods and services in the U.S. supply contract. The interest rate charged is usually a floating rate, negotiated between the buyer and lender. Ex-Im Bank financing is available for new, used, and refurbished equipment.

Ex-Im Bank is also able to support eligible transaction costs such as banking, legal and engineering fees, and limited costs incurred in the buyer's country (e.g., up to 30% local costs associated with the project or product installation). The guarantee may support loans denominated in select foreign currencies, such as euro, yen, reals, and rand.

To qualify for Ex-Im Bank financing, all buyers must meet certain credit criteria, depending on the size of the transaction, and the nature of the buyer. If a buyer does not meet these standards, the use of guarantors and other credit enhancements may be used to qualify.

Key Qualifications

- Buyers can be foreign companies, governments, and agencies.
- If the foreign content is greater than the 15% down payment, then support is only for the U.S. portion.
- Military/defense items are generally not eligible, nor are sales to military buyers (with certain exceptions).
- The Bank cannot do business in certain countries and under certain terms. Please refer to the Country Limitation Schedule (CLS) at <http://www.exim.gov>.
- For long-term financing support (i.e., cargo over \$20 million), the goods must be transported on a U.S. flag vessel if they are shipped by sea.

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- Prior to approving any transaction, Ex-Im Bank will take into account the beneficial and adverse environmental effect and economic impact of the particular export item or service.

Applications may be submitted either by the lender, exporter, or the buyer, although lender-driven transactions tend to be processed more quickly. The application is available at <http://www.exim.gov>.

Costs

In addition to the rates charged by a lender, the Bank charges two fees for financing:

- A commitment fee of 0.125% per annum on the undisbursed balance of the loan
- An exposure fee based on variables such as tenor, country risk, and buyer credit risk. An exposure fee calculator is available at www.exim.gov.

Sercel Inc.

Houston, Texas



With the backing of an Ex-Im Bank medium-term loan guarantee, Compañía Geofísica Latinoamericana S.A. (CGL) of Bogotá, Colombia, was able to purchase high-quality U.S.-manufactured equipment for its operations providing land seismic data acquisition and processing services. Ex-Im Bank guaranteed a three-year loan of \$822,240 from UPS Capital Business of Windsor, Conn., to support the sale of a new Serce 428 XL seismic system by a U.S. small business, Sercel Inc. of Houston, Texas. Ex-Im Bank's support was needed due to limited availability of private-sector financing.

Call 800.565.3946 (U.S. 202.565.3946) or go to <http://www.exim.gov/contact/contactus.cfm> to contact your nearest Ex-Im Bank Regional Export Finance Center. Learn more at <http://www.exim.gov>. Follow us on <http://www.twitter.com/eximbankus>.

