

**THE EXPORT-IMPORT BANK OF THE US**

***Advancing U.S. Exports of Power  
Technologies and Equipment***

***“Energy Project Financing  
for U.S. Companies”***

***Electric Power Conference***

***Rosemont, IL***

***Monday, May 11, 2009***

EXPORT-IMPORT BANK OF THE UNITED STATES

# Who We Are

- Official U.S. Export Credit Agency (“ECA”)
- Founded 1934
- Purpose: To facilitate the financing of U.S. exports of goods and services
- No minimum or maximum transaction size

# What We Do – Increase Your Export Sales

- Support the Provision of Pre-shipment Finance
- Absorb Non-payment Risk
- Help Exporters Meet Foreign Competition



## **OUR BASIC REQUIREMENTS:**

- **A creditworthy buyer**
- **“On cover” in the buyers country**
- **Goods must have U.S. content (labor and material) of at least 50%**
- **Goods must be shipped from the U.S.**



# General Policies



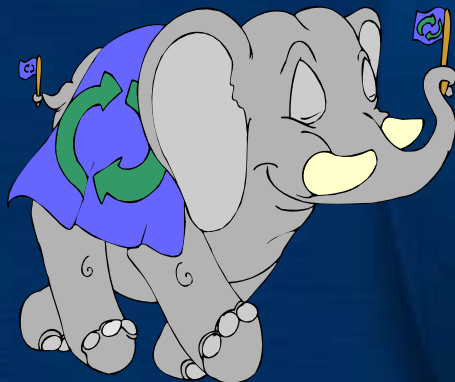
**Additionality**



**Private Market Insurance**



**Military Restrictions**



**Environmental**



**Economic Impact**



**Shipping**

# OUR MAIN PRODUCTS

- **Short term export credit insurance covering extended payment terms out to 180 (exceptionally 360) days**
- **Medium and long term programs covering exports of capital equipment on extended payment terms out to five years or longer**
- **Working capital guarantee for pre-shipment finance**



**“Financing the manufacture  
&/or  
acquisition of goods  
for export”**



# Our Working Capital Guarantee

- Supports primarily small and medium-size companies
- Provides a guarantee to lenders for an exporter's working capital needs
- Can be either transaction specific or revolving
- Can also support establishment of letters of credit and indirect exports



# Basic Parameters of Our Working Capital Guarantee

- 90% guarantee of principal and interest
- Supports the financing of the manufacture and/or acquisition of goods for export
- Collateralized with export related items
- Loans collateralized 100%
- Letters of credit collateralized 25%

**CAUTION: Provides no protection to exporter against foreign buyer non-payment**



“Financing payment  
terms to foreign buyers”

# Short-Term Export Credit Insurance

## COVERS:

- **Political Risks (An action beyond the control of the buyer that causes non-payment)**
- **Commercial Risks (Buyer bankruptcy, protracted default)**

## DOES NOT COVER:

- **Contract or quality disputes**



# Types of Insurance Policies

1. Insure your whole export portfolio with a multi-buyer policy:
  - Small Business Policy
  - Multi-buyer Policy
2. Insure a Single-Buyer Policy

# Insuring your Whole Export Portfolio

## Small Business Export Credit Insurance

- Meet SBA definition of “small”
- No more than \$5 million in export credit sales
- 95% Political Risk Cover
- 95% Commercial Cover
- Up to 180 day terms (exceptionally to 360)
- Premium rate based upon length of terms
- No Deductible
- All “Insurable” transactions except LC’s and shipments to Canada must be covered.

# Insuring Your Whole Export Portfolio

## Multi-buyer Export Credit Insurance

- Any size U.S. exporter
- Premium rate based upon spread of risk
- Political and Commercial Risks Covered 95%
- Annual “first loss” deductible
- Exporters may exclude up to 50% of their “insurable” transactions



# Single-Buyer Policy

## Single-Buyer Policy

- Any size U.S. exporter
- Premium rate based upon type of buyer, terms, and country
- 90% Political Risk Cover
- 90% Commercial Risk Cover  
(No deductible)

# Qualifying Buyers

- For credit limits up to \$300,000, we usually require no more than a credit agency report and two trade references
- Experienced exporters are given discretionary authority to make their own credit decisions

# Claims

- **May be submitted electronically 90 (but not later than 240) days from the due date for payment by the overseas buyer**
- **Claims are payable within 60 days or less**
- **No collection expenses are deducted**
- **Current and past due interest can be covered**



# BENEFITS OF EXPORT CREDIT INSURANCE

- **Allow the exporter to quote competitive terms with minimum downside.**
- **Facilitate the financing of export receivables**

# MEDIUM AND LONG TERM PROGRAMS

## Capital Equipment Financing



# MEDIUM AND LONG TERM PROGRAMS

## BASIC PARAMETERS

- **Buyer is required to make a down payment of at least 15% prior to shipment**
- **100% political and commercial cover on 85% of U.S. Export value**
- **No deductible**
- **A lender pays the exporter out within a few days of shipment**
- **Buyer repays the lender by way of six-monthly installments of principal and interest**



# MEDIUM AND LONG -TERM PROGRAMS

## TERMS, PREMIUM AND FINANCING COSTS

- **Terms are function of the dollar value of shipment**
- **Premium depends on country, terms, and buyer**
- **Interest rates can be floating or fixed**
- **Financing can be provided in certain foreign currencies**

# MEDIUM AND LONG TERM PROGRAMS

## BENEFITS

### THE EXPORTER:

- Can match the competition
- A cash sale

### THE BUYER

- Attractive interest rate
- Terms longer than those available in local market
- Usually unsecured

# OTHER PROGRAMS

PRE-SHIPMENT INSURANCE

DEALER FINANCE

BANK LETTER OF CREDIT

DIRECT LOANS

LEASING

PROJECT FINANCE

MEDICAL EQUIPMENT

ENVIRONMENTAL PROGRAMS

# Contact Info

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