



Standard Repayment Terms

Ex-Im Bank's repayment terms applicable to the Insurance and medium- and long-term Loan and Guarantee are explained below.

What is the Repayment Term ?

The 'repayment term' is the period from the starting point of credit to the final maturity of a transaction. The starting point of credit is generally the completion of the exporter's responsibility under the export contract (e.g., shipment or project completion). Acceptance, retention, and warranty periods are not counted in determining the starting point. The "final maturity" is the due date of the final installment. Repayment begins approximately six months after the starting point, and payments of principal and accrued interest generally must be made semiannually.

For example, assume that a transaction has a 5-year repayment term, semiannual installments, and one shipment scheduled to occur in December 2001. Repayment would begin in June 2002 and consist of ten equal semiannual installments of principal (plus accrued interest). The final payment would be due in December 2006.

What is a Notifiable Repayment Term ?

Ex-Im Bank must notify other official export credit agencies (ECAs) of its intention to offer certain repayment terms. Notifiable terms include (but are not limited to) terms of more than five years in Category I countries. Applicants will be advised when notification is required so that they may make an informed choice between notifiable and non-notifiable terms.

How to determine the applicable Repayment Term

Repayment terms hinge generally on three factors: 1) OECD country category; 2) Ex-Im Banks internal budget cost level evaluation; and 3) contract price. Other special conditions may apply which could shorten or lengthen the maximum repayment term.

- Step 1. Identify the country category (I or II) from the list on the reverse side for the country where the export items will be used.
- Step 2. Find the standard term in Chart I that applies to the country category and the contract price of your transaction.
- Step 3. Review the terms in Chart II, the Shorter Than Standard Terms and the Longer Than Standard Terms, to determine if they apply to your transaction.

Applicants may request shorter terms than indicated in this section. Since Ex-Im Banks exposure fee is related to the repayment term, a shorter term carries a lower exposure fee.

Country Category

The country category is determined by the Organization for Economic Cooperation and Development (OECD) and the categorization is updated annually. Countries classified in Category I are listed below. Category I non-OECD countries are bolded. Category II consists of all countries not classified in Category I.

Andorra, Anguilla, Antigua & Barbuda, Aruba, Australia, Austria, Azores, Bahamas, Bahrain, Barbados, Belgium, Bermuda, British Virgin Islands, Brunei, Canada, Cayman Islands, Channel Islands, Croatia, Cyprus, Czech Republic, Denmark, Faeroe Islands, Finland, France, French Guyana, French Polynesia, Germany, Greece, Greenland, Gibraltar, Guadeloupe, Guam, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Israel, Italy, Japan, Kuwait, Libya, Liechtenstein, Luxembourg, Macao, Madeira, Malta, Martinique, Mayotte, Mexico, Monaco, Netherlands, Netherlands Antilles, New Caledonia, New Zealand, Northern Marianas, Norway, Oman, Palau, Portugal, Puerto Rico, Qatar, Reunion, Saint Kitts & Nevis, Saint Pierre & Miquelon, American Samoa, San Marino, Saudi Arabia, Seychelles, Singapore, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, Trinidad & Tobago, Turks & Caicos, United Arab Emirates, United Kingdom, Vatican City, U.S. Virgin Islands. (Note: Not all countries listed are eligible for Ex-Im Bank financing.)

Chart I. Standard Terms

The following terms apply in the absence of the factors described in Chart II and the sections on Shorter Than Standard Terms and Longer Than Standard Terms.

<u>Contract Price*</u>	<u>Maximum Repayment Term in Years</u>	
	<u>Category I Countries</u>	<u>Category II Countries</u>
Less than \$80,000	2	2
\$80,000 to \$174,999	3	3
\$175,000 to \$349,999	4	4
\$350,000 to \$7,000,000*	5	5
\$7,000,001 to \$11,764,705**	5	7
\$11,764,706 to \$25,000,000	5	8
More Than \$25,000,000	5	10

* Price of U.S. goods and services, including any eligible foreign content.

** 85% of \$11,764,705 ' \$10,000,000, which is the maximum financed portion for medium-term transactions.

Chart II. Terms For Certain Types of Exports

The following terms apply in the absence of the factors described in the sections on Shorter Than Standard Terms and Longer Than Standard Terms:

<u>Export Items</u>	<u>Maximum Repayment Term</u> <u>(All Countries)</u>
1. Non-capital items, raw materials, lumber, paper, pulp, spare parts	180 days
2. Bulk agricultural commodities, fertilizers, pesticides, consumer durables (ranges, refrigerators, etc.)	360 days
3. Breeding cattle Contract price not exceeding \$150,000	2 years
Contract price exceeding \$150,000	3 years
4. Ships*	10 years
5. Power plants***	
Non-nuclear	12 years**
Nuclear (excluding fuel)	15 years**
Initial fuel load	4 years
Subsequent fuel reloads	2 years
6. Aircraft	
Large civil aircraft (more than 70 seats in a passenger configuration)	12 years
Category A aircraft (Turbine powered, generally with 30 to 70 seats)	10 years
Category B aircraft (Other turbine powered aircraft)	7 years
Category C aircraft (Non-turbine powered aircraft)	5 years

* Refers to ships subject to the OECD Arrangement terms. In certain circumstances, Ex-Im Bank may offer up to 12 year repayment terms, pursuant to the OECD Understanding on Export Credits for Ships. Contact Ex-Im Bank for qualification details.

** Ex-Im Bank must notify other official export credit agencies before offering the indicated repayment terms.

*** Power plants are complete power stations or parts of power stations, including components, equipment, materials, and services directly required for the construction and commissioning of power stations.

Shorter Than Standard Terms

The following limits take precedence over the terms in Charts I and II and the Longer Than Standard Terms:

- If the export items are purchased for resale, the term generally may not exceed two years. Ex-Im Bank will consider a term longer than two years in conjunction with a Preliminary Commitment or Final Commitment application, provided the buyer is (1) purchasing the export items to satisfy a specific contract with the end-user of the items, and (2) providing financing to the end-user with a repayment term at least as long as the term requested from Ex-Im Bank.
- If the export items have an expected or useful life is shorter than the applicable term in Chart I, then the term may not exceed the expected or useful life.
- If the borrower's budget cost level, as determined by Ex-Im Bank, is 8 or higher or Ex-Im Bank is not open for a total term of more than seven years in the borrower's/guarantor's country (refer to Country Limitation Schedule), the repayment term generally may not exceed five years. Ex-Im Bank will consider a repayment term longer than five years in conjunction with a Preliminary Commitment or Final Commitment application, provided the total term from the authorization date to the final repayment date does not exceed seven years.
- If the transaction is under a Credit Guarantee Facility, the term may not exceed five years without Ex-Im Bank's prior approval.
- If the average price of the export items comprising a majority of the contract price is less than \$1,000,000 and the transaction does not qualify for the Environmental Exports Program (EEP), the term may not exceed five years.

Longer Than Standard Terms

The following limits take precedence over the terms in Chart I, provided that the Shorter Than Standard Terms do not apply:

- If Ex-Im Bank confirms that ECA competition exists for transactions eligible for terms of at least two years, Ex-Im Bank will match the competing term up to:
 - eight and one half years for exports to Category I countries.
 - ten years for exports to Category II countries.
- If the transaction qualifies for the EEP, the contract price exceeds \$349,999, and the budget cost level, as determined by Ex-Im Bank, is under 8, the maximum term is:
 - eight and one half years for exports to Category I countries.
 - ten years for exports to Category II countries.
 - fifteen years for certain renewable energy and water projects, irrespective of country category
- If the contract price exceeds \$11,764,705 and the export items are to be used in a project, Ex-Im Bank will consider the following maximum terms on a case-by-case basis:
 - eight and one half years for exports to Category I non-OECD countries.
 - ten years for exports to Category II countries.

The rationale for a Longer Than Standard Term for a project must be based on at least one of the following factors:

- The degree to which Ex-Im Bank will rely on the projects anticipated cash flows for assurance of repayment.
- The need for alignment of Ex-Im Banks term with the term granted by other lenders to the project.
- If confronting a directly competing tied aid offer, please consult Ex-Im Banks Tied Aid Capital Projects Fund Fact Sheet. Longer Than Standard Terms may be available. (Foreign tied aid offers are easily recognized: they usually involve terms longer than 20 years, interest rates one-half or two-thirds of market rates, or large grants.)