

## LONG-TERM LOAN OR GUARANTEE APPLICATION ATTACHMENT E: USED EQUIPMENT

Equipment that has been previously owned or placed into service is generally eligible for support under Ex-Im Bank's loan, guarantee and insurance programs, provided certain criteria are met. To be eligible for Ex-Im Bank support, used equipment, including equipment that has been refurbished in the U.S., must meet the following **eligibility criteria**:

1. To be considered U.S. content, the used equipment must be of original U.S. manufacture, AND, if previously exported, must have been in use in the U.S. for at least one year prior to export.
2. The U.S. costs associated with the refurbishment of the equipment are eligible for Ex-Im Bank support, provided they meet Ex-Im Bank's foreign content policy parameters. Ex-Im Bank can support the lesser of 85 percent of the U.S. Contract Price of the item or 100% of the actual U.S. content of the item provided that (a) the item is shipped from the U.S. and (b) the foreign content of the item does not exceed 50 percent of the item's total production cost.
3. If the used equipment is of either original foreign manufacture or original U.S. manufacture, previously exported and has **not been in use in the U.S. for at least one year prior** to its proposed export, then Ex-Im Bank will treat it as **foreign content** and the following applies:
  - a. if the equipment is to be refurbished, the used equipment procurement cost is considered eligible foreign content provided that this cost is less than 50 percent of the total procurement and refurbishment cost.
  - b. if the foreign content of the used equipment exceeds 50 percent of the cost associated with the procurement and refurbishment of the equipment, then only the U.S. refurbishment portion will be considered eligible for Ex-Im Bank support.
4. Previously exported goods that benefitted from Ex-Im Bank financing in the past will be considered eligible for Ex-Im Bank support provided that the original financing has been **paid in full and** that the equipment has been **in use in the U.S. for at least one year**.
5. The **repayment term** that Ex-Im Bank offers for used and refurbished equipment will be consistent with Ex-Im Bank's international agreements for repayment terms based on contract value. Ex-Im Bank, at its sole discretion, will determine the remaining useful life of such equipment.
  - a. If the remaining **useful life** of the equipment is **at least half** the useful life of equivalent **new equipment**, then Ex-Im Bank may support a repayment term equal to that offered new equipment.
  - b. If the remaining **useful life** of the equipment is **less than half** the useful life of equivalent **new equipment**, then Ex-Im Bank may support a repayment term **equal to the useful life** remaining.
  - c. If the sale **includes** items some of which may have a **useful life of at least half** that of equivalent new equipment and **some** of which may have a **useful life of less than half** that of equivalent new equipment, a **weighted average** of the useful lives of all the items will be calculated to determine the payment term of the entire sale.

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**Used Equipment Questionnaire**

Applicant: \_\_\_\_\_

Buyer: \_\_\_\_\_

Policy number (for insurance program): \_\_\_\_\_.

Complete a separate questionnaire for each item of used equipment.

**1. Product information**

Name and description of used equipment: \_\_\_\_\_

Equipment History

a) year manufactured: \_\_\_\_\_ b) hour meter reading: \_\_\_\_\_

c) mileage: \_\_\_\_\_ d) where is equipment located: \_\_\_\_\_

e) how long has the equipment been there?: \_\_\_\_\_

Is the product under warranty?  Yes  No

Term: \_\_\_\_\_ Description: \_\_\_\_\_

Has the equipment been rebuilt/reconditioned?  Yes  No

By whom? \_\_\_\_\_ Location: \_\_\_\_\_ Date: \_\_\_\_\_

Does this equipment have an independent mechanical certification, evaluation, or assessment?  Yes  No**2. Export/Import History**Was the equipment previously exported?  Yes  NoDid Ex-Im Bank provide support?  Yes  No If yes, details: \_\_\_\_\_Was the equipment imported to the U.S. ?  Yes  No**3. Prices and Costs**

Contract price: \$ \_\_\_\_\_ Foreign content included in the contract price: \$ \_\_\_\_\_

U.S. supplier's purchase price: \$ \_\_\_\_\_ Purchase Date: \_\_\_\_\_

Cost of rebuilding/reconditioning: \$ \_\_\_\_\_ Cost of spare parts included: \$ \_\_\_\_\_

Description of rebuilding and/or spare parts: \_\_\_\_\_

**4. Used Aircraft Only.**Have all airworthiness directives been completed?  Yes  No

If no, describe the regulation or directive permits required for continued operation of the aircraft: \_\_\_\_\_

Number of cycle hours remaining on the airframe and engines: \_\_\_\_\_

Months remaining before next maintenance "C" and "D" checks: \_\_\_\_\_

Names of each previous owner and lessee with the corresponding acquisition dates: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

If you have any questions, please call Ex-Im Bank's Engineering Division on 202.565.3570 or Business Development Group on 202.565.3946