



EXIM, U.S. Government Resources for Export

May 2022





Jennifer Krause
*Managing Director for
Broker Accounts*



WHO WE ARE

EXIM is a U.S. federal government agency (ECA)

Mission: Supporting American jobs by facilitating the export of U.S. goods and services.

- › Fills gaps or complements private-sector lender/insurance offerings.
- › Authorizes transactions that demonstrate a “reasonable assurance of repayment”.
- › Maintains a low default rate & closely monitors credit & other risks in portfolio.



We Are
**SMALL BUSINESS
FOCUSED**



About ~90% of EXIM Bank transactions supported small business exporters



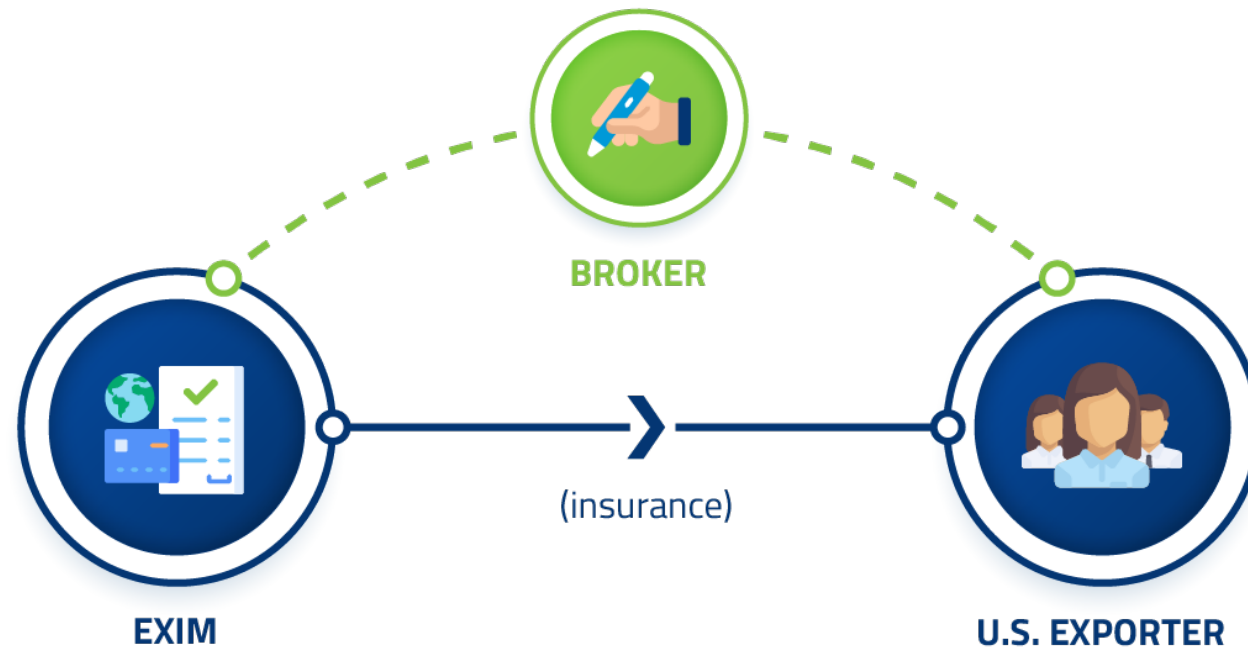
No company or transaction is too small



EXIM has supported sales of just a few hundred dollars



EXPORT CREDIT INSURANCE



Risk Protection

Protect against nonpayment by foreign buyers due to commercial risks and political risks

Sales Tool

Offer competitive terms to foreign buyers (generally up to 180 days, some may qualify for 360-day terms)

Financing

Enable additional financing. Insured foreign receivables may be added to your borrowing base by assignment of policy proceeds (claim payments) to a lender

Policies can cover a single buyer, a portion of a portfolio, or an exporter's entire export customer base!

RISKS COVERED

Commercial:

- ✓ Insolvency
- ✓ Bankruptcy
- ✓ Protracted Default

Political:

- ✓ War, revolution, insurrection
- ✓ Currency transfer risk
- ✓ Cancellation of import or export license

Disputes with the buyer are ***not*** covered.



Tools for Exporters

COUNTRY LIMITATION SCHEDULE

- ✓ EXIM Bank conducts business in most countries throughout the world. (>180)
- ✓ Restrictions may apply based on political or economic conditions and are highlighted on the [Country Limitation Schedule](#).



Tools for Exporters

QUALIFYING A FOREIGN BUYER

EXIM underwriters review complete requests in just a couple of weeks typically. EXIM underwriting has predefined [credit standards](#) and transparency about what is needed for a certain sized credit limit when applying for invoice coverage.

Examples Include:

- Foreign buyer has been in business for at least 3 years
- Favorable trade reference from another U.S. supplier
- Exporter's own favorable ledger experience
- Favorable credit agency report
- Buyer's signed fiscal statements from the last 2 years (required over \$500k)





SINGLE-BUYER, 90% COVERAGE

For U.S. exporters wanting
to insure only one buyer

Coverage Details:

- › 90% coverage (100% for sovereign buyers)
- › No deductible
- › Small Business: \$500 minimum premium for first policy.

Rates per \$100:

Premium rates vary according to country of the buyer and length of payment terms

<https://www.exim.gov/tools-for-exporters/exposure-fees/shorttermelcessfinancing>

Country:		UAE				
Exposure Fee						
ST Single Buyer Insurance (ELC & ESS)	Sight L/C	60 days	120 days	180 days	270 days	360 days
Financial Institution:	0.03%	0.18%	0.29%	0.37%	0.47%	0.57%
Non Financial Institution:	#N/A	0.67%	0.79%	1.35%	1.35%	1.54%

MULTI-BUYER, 95% COVERAGE

For U.S. exporters wanting
to insure a portfolio of
foreign buyers



ESC Policy

- › One-time annual deductible & market-driven premium rates
- › Reasonable Spread of Risk (RSOR) option to insure ~50% of buyers
- › Typically used by exporters with >\$10,000,000 annual export credit sales

ENB/ENV Policy

- › Insures exporter's whole portfolio
- › No deductible
- › Fixed premium rates
- › SBA Small & < \$10,000,000 annual export credit sales qualifies

Express Policy

- › EXIM reviews each buyer individually
- › No deductible
- › Fixed premium rates (\$65 to insure a \$10K/Net 60 export)
- › SBA Small, New to EXIM, < \$10,000,000 annual export credit sales, no more than 5 years of export credit sales & 10 or less credit buyers qualifies

HOW DOES EXPORT CREDIT INSURANCE WORK?



Step 1:

Exporter chooses insurance policy & applies (2-10 days)



Step 3:

Contract states payment schedule and terms, and buyer accepts



Step 5:

Exporter reports export to EXIM and pays premium to insure the invoice(s)



Step 2:

Exporter offers credit terms to buyer for products/services to be performed



Step 4:

Exporter performs and bills buyer.



Step 6:

Buyer pays. If they fail to do so, exporter claims payment with EXIM



ELIGIBILITY CRITERIA

An Exporter Must:



Be in business at least one year



Have [DUNS number](#) and financial statements or tax returns



Sell products that have $\geq 50\%$ U.S. content including labor and overhead but not markup



Have no Military or Defense-related products or obligors (*exceptions apply*)



Sell in one of over 180 countries where EXIM provides cover



Ship from the U.S.

We're excited to confirm:

STEP GRANT FUNDS CAN NOW BE USED FOR EXIM PREMIUM REIMBURSEMENT



Qualifications & Eligible Usage

STEP grants can be used by qualifying manufacturers, distributors, and service providers that are SBA-defined small businesses. While eligible uses of STEP grant funds have traditionally included training workshops, trade missions, international marketing campaigns and more, these funds can now be applied to [Export Credit Insurance](#) premiums for EXIM short term small business policyholders! Typically, if an exporter has qualified for an EXIM policy, they will meet the minimum state STEP grant standards.



STEP grants are available on a first come, first served basis. To view a complete list of the U.S. states and territories that are offering these grants and get in touch for more information, [click here](#).



Through awards to U.S. states and territories, STEP helps small businesses overcome obstacles to exporting by providing grants on a first come, first served basis to cover costs associated with entering and expanding into international markets.

WORKING CAPITAL GUARANTEE PROGRAM

A guarantee to a commercial lender, that makes a loan to an exporter to purchase or manufacture U.S. goods for export.



Labor/Overhead
Materials



LCs, Bid &
Performance Bond



Warranties &
Retainages



Payoff Existing
Lines

ELIGIBILITY:

- › Manufacturers, wholesalers, distributors, services companies
- › Companies exporting directly or indirectly

ADDITIONAL GOVERNMENT RESOURCES



Department of Commerce

The U.S. Department of Commerce is available to help by matching American exporters with foreign buyers.

› **Gold Key Matching Service**

This service arranges meetings with interested partners in international markets. The Gold Key team first identifies foreign buyers, assesses them, and provides profiles of the best matches.

› **Single Company Promotion**

The DoC can organize a variety of promotional events to increase awareness of an exporter's products and services in a specific international market.



Small Business Administration

Created in 1953, the U.S. Small Business Administration (SBA) continues to help small business owners and entrepreneurs pursue the American dream.

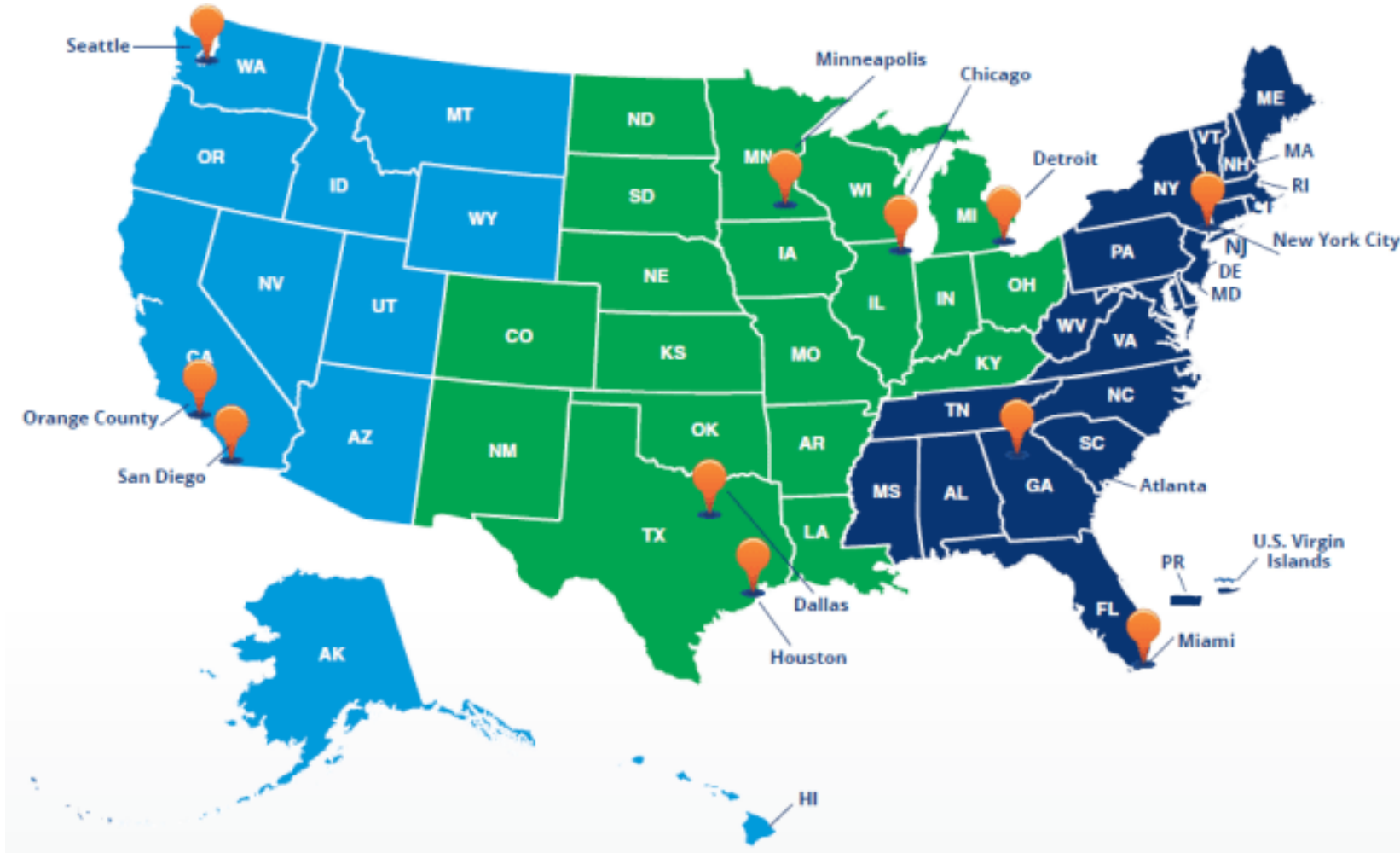
› **Loans**

The SBA works with lenders to guarantee loans in support of international trade.

› **Grant Programs**

The SBA also has a grant program called the State Trade Expansion Program (STEP) that provides funding to state and territory governments. These STEP funds are exclusively available to help small businesses with export development.

CONTACT AN EXIM REGIONAL OFFICE NEAR YOU



Request a Free
Consultation Today:
[https://grow.exim.gov/
consultationrequest](https://grow.exim.gov/consultationrequest)