

> Using the Working Capital Loan Guarantee:

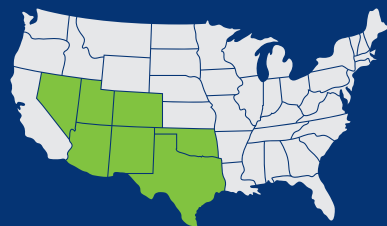
# ACCESS THE CAPITAL YOU NEED TO ACCEPT LARGE ORDERS

Through EXIM's Working Capital Guarantee Program (WCGP), U.S. exporters can obtain financing from participating lenders when traditional commercial financing is not available, or when the borrowing needs are greater than the lenders' credit standards will allow. This affords exporters a variety of benefits.

## Before EXIM

*Hypothetical Scenario:*

**ACME Transport Systems** manufactures specialized tooling trucks for use in harsh environmental conditions. The company historically operated as an OEM (original equipment manufacturer) to large, U.S. multinational companies selling overseas. As with many growing businesses, the company started out by self-funding its working capital on one-off export orders. They typically required 50% down payment on an order and 50% upon delivery.



 Based In:  
Southwest United States

## How It Works:

1

During the latest economic downturn, their domestic sales dropped. An opportunity presented itself to bid directly on a large, international public contract in Asia.

2

ACME Transport Systems knew its equipment would be highly competitive and that the margins would be better on a direct sale, but it needed to address the working capital implications of such a large order.

3

ACME Transport Systems contacted EXIM, who then worked closely with the company's primary bank.

4

The company and their bank were able to structure an **18-month, \$10 million credit line** using the EXIM Working Capital Guarantee Program to support the capital needs for producing the large order. This credit program allows for:

- > the issuance of bid and performance standby letters of credit required under the order at only 25% collateralization in the borrowing base
- > the funding of working capital through the lifecycle of the underlying project.



## Results

With the large order in hand, the company **brought back its furloughed workforce** and the employees are looking forward to a good bonus upon project completion for a job well done.

As an OEM, the company's traditional indirect exports to the larger U.S. multinationals further qualifies for support under the EXIM Working Capital Guarantee program.

**EXIM** EXPORT-IMPORT BANK OF THE UNITED STATES

**Reach Your Export Growth Potential with an EXIM Lender:**

[grow.exim.gov/mark-klein](http://grow.exim.gov/mark-klein)

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