

# EXPORT EXPERTISE

10 FINANCE TOOLS TO GROW  
YOUR EXPORT BUSINESS



# 10 Ways the Export-Import Bank of the United States Assists Small Businesses

The U.S. Department of Commerce reported \$2.35 trillion worth of goods and services were exported in fiscal year 2014, a record year for export growth, mostly done by small businesses. Learn about the financial tools businesses like yours can use to take advantage of this trend.

## EXIM Creates Jobs!

EXIM's mission is to create and sustain U.S. jobs through exports. We do this by protecting exporters against nonpayment by their foreign buyers and assisting them in financing the export of U.S.-made goods and services to international markets.

### 1) Protect Against Nonpayment

You can get export credit insurance to protect your company against nonpayment due to commercial and political risks for single or multiple shipments.

### 2) Loans for Pre-Export Needs

EXIM provides loans of up to \$500,000 for your pre-export working capital needs.

### 3) Long-term Open Account Credit

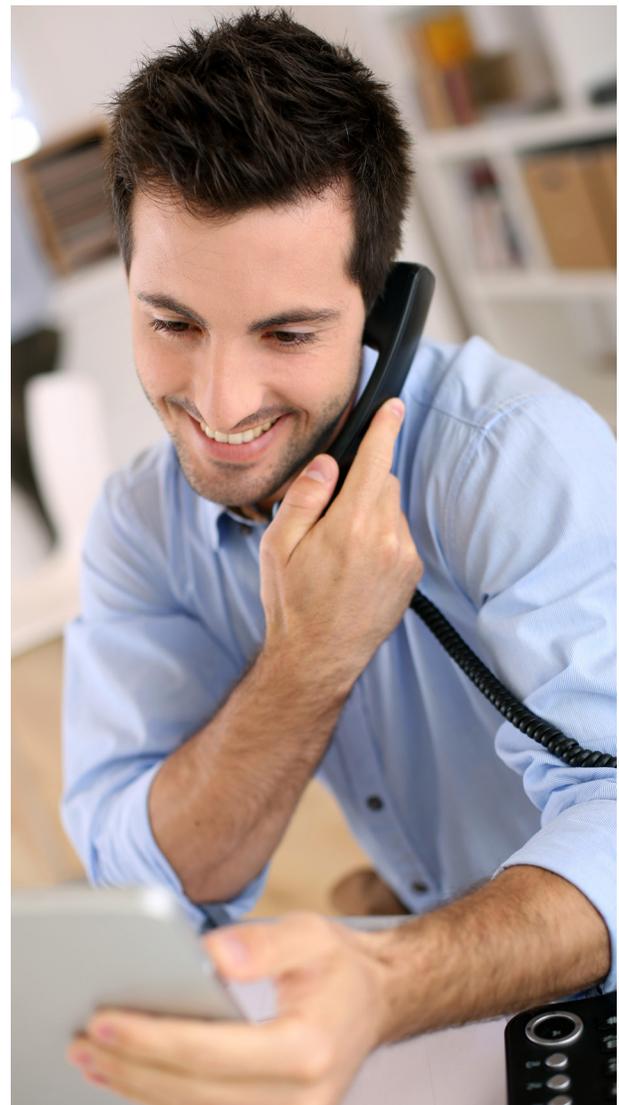
You may extend up to 180 days of open account credit to a foreign buyer and still be protected against the buyer's nonpayment.

### 4) Long-term Buyer Credit

You can offer your foreign buyers up to five years to pay for capital equipment and still be protected against nonpayment. EXIM's medium-term export credit insurance policy protects you for 100% of the gross invoice amount. The buyer is required to make a 15% cash down payment. You carry the foreign receivable on your books for the full tenor of the credit. As an alternative, you may be able to arrange a "buyer credit" transaction with your lender, in which the lender cashes you out up front, leaving them to carry the receivable and seek nonpayment protection from EXIM.

### 5) Indirect Exports

EXIM's Working Capital Loan Guarantee may support your "indirect exports." This will empower you to borrow funds from your lender to purchase or produce U.S. goods that are destined for export, or that are sold by you to another U.S. company that exports the products.



# 10 Ways the Export-Import Bank of the United States Assists Small Businesses (continued)

## 6) Multiple Loan Options

Under the Working Loan Capital Guarantee, the loan from your lender may be set up either as a revolving line of credit to support the manufacture or acquisition of all your U.S.-sourced export inventory, OR as a “transaction-specific” loan supporting a purchase order from just one foreign buyer.

## 7) Short/Medium-term Credit Standards

EXIM publishes our Short/Medium-term Credit Standards, which specify the amount and type of credit information we need to review your request for support. These documents are available on our website at [exim.gov](http://exim.gov).

## 8) Pay-As-You-Ship Portfolio

You can insure your entire export portfolio on a pay-as-you-ship basis with no minimum premium and no first-loss deductible.

## 9) Protect Foreign Receivables

Use credit insurance to protect your foreign receivables from a foreign buyer’s default, and as a marketing tool to extend competitive credit terms.

## 10) Export Finance Manager

EXIM has an Export Finance Manager at an EXIM Regional Export Finance Center ready to talk to you now! Call our customer contact center: 1-800-565-EXIM (3946) or request a consultation online [grow.exim.gov/consultation](http://grow.exim.gov/consultation)

## Facts to Know

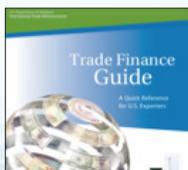
1. Your company must be in business for at least one year, and meet a minimum credit score in order to be eligible to borrow up to \$500,000.
2. EXIM Online provides an easy, streamlined application process for most of the products used by “small businesses.”
3. You can cost-effectively insure sales of any size, and since you “pay-as-you-ship” on the gross invoice value of each shipment, there are no wasted premium dollars!



## Other Helpful Export Information

### TRADE FINANCE GUIDE

Learn the basic fundamentals of trade finance and turn export opportunities into sales.



[grow.exim.gov/finance-guide](http://grow.exim.gov/finance-guide)

### CONTACT US

Speak with an Export Finance Manager servicing your area to help you determine your eligibility.

**Customer Contact Center  
1-800-565-EXIM (3946)**

[grow.exim.gov/consultation](http://grow.exim.gov/consultation)

### EXIM.GOV

For more in-depth information about EXIM, visit our website.



[exim.gov](http://exim.gov)

# Which Product is Best for You?

EXIM assumes the credit and country risks that exporters and lenders are unable or unwilling to accept. We also help to level the playing field for U.S. exporters by matching the financing that other governments provide to their exporters. Below, discover the support available to U.S.-based small and medium sized businesses:

## 1) Working Capital Loan Guarantee

EXIM's WCLG is a guarantee to lenders who make loans to small and medium sized companies so they can purchase or produce U.S. goods or provide a service for export. There is no minimum or maximum amount. The exporter must be able to service the debt they are taking on, as evidenced by their financial statements and the personal guarantees of each principal with (or exceeding) 20% ownership in the company.

### Benefits

- Makes funds available to fulfill export sales order
- May be revolving or transaction-specific
- Allows exporter's inventory and accounts receivable to be used as collateral

## Did You Know?

1. EXIM will cover 90% of your bank's loan's principal and interest with the U.S. government.
2. Overall exports of American goods and services reached a record \$2.3 trillion in 2014, up from \$1.4 trillion in 2009.
3. In FY 2015, EXIM supported \$17.08 billion worth of U.S. exports and an estimated 109,000 export-related American jobs. Over the past seven years, EXIM has supported over 1.4 million jobs in communities across the country.

## 2) Export Credit Insurance

Export Credit Insurance protects exporters against nonpayment by foreign buyers due to commercial and political reasons. These policies are available for short-term sales (credit terms up to 180 days, 360 days for capital equipment) and medium-term sales (repayment terms ranging between 1–5 years). Many exporters use this as a marketing tool to extend competitive credit terms to foreign buyers instead of requiring costly letters of credit or cash in advance.

### Benefits

- Equips exporters to provide credit terms to foreign buyers that could increase sales
- Eliminates most risk of nonpayment by foreign buyers
- Increases exporter's borrowing capacity with lenders by pledging insured receivables as collateral, allowing for them to be included in the borrowing base

## 3) Guarantees of Commercial Loans to Foreign Buyers

EXIM guarantees cover for principal and interest against both political and commercial risks of buyer nonpayment.

### Benefits

- Assumes risk lenders will not take, enabling them to make loans to foreign buyers to purchase U.S. capital equipment and related services

# Small Business Case Studies

These small businesses are successfully using EXIM services and financial products to expand their export sales.

## Small Family Business Exports

**Exporter:**

Fritz-Pak, Mesquite, Texas



**Markets:**

Worldwide, including Mexico, Brazil, India, and Taiwan

**EXIM Product:**

Multi-buyer Export Credit Insurance

Located in a warehouse east of Dallas, Texas, Fritz-Pak manufactures 40 different specialty products for the global construction industry, including concrete additives and plasters for swimming pools.

Today, Fritz-Pak is a growing small business, eyeing an expansion to the lot next door. This is due to David Ojeda, the youngest of the father-mother-son team that runs Fritz-Pak who had the idea to look abroad for sales opportunities that could replace lost domestic sales following the 2008 recession.

Using EXIM's export credit insurance, the Ojedas were able to offer credit terms to new foreign buyers and protect against the risk of not being paid an especially acute concern when margins are thin. Today, using export credit insurance, exports account for 35% of their total sales.



## Small Business Pumps Up Sales with EXIM's Financing

**Exporter:**

Ace Pump Corp., Memphis, Tennessee



**Markets:**

Paraguay, Chile, France, Belgium, and Mexico

**EXIM Product:**

Multi-buyer Export Credit Insurance

Roy Bell III runs Ace Pump Corp., the small industrial pump company his grandfather started at the end of World War II. You can find their pumps on everything from tractors and concrete trucks to highway anti-icing vehicles and asphalt-milling machines.

Since 2009, Ace Pump has used EXIM's export credit insurance to protect against the risk of buyer nonpayment in faraway markets and to extend open credit terms to foreign customers that lack access to affordable working capital financing. Today, export sales represent one-fifth of total business, and Ace has expanded its work force in Tennessee by 10%.



# Contact EXIM

## Request a Consultation:

[grow.exim.gov/consultation](http://grow.exim.gov/consultation)

## Contact-Us:

1-800-565-EXIM (3946)

## Additional Info

### Find a Regional Export Partner Near You:

Did you know you can receive free or low cost export counseling at one of EXIM's City/State Partner? Find a list of partners in your state here:

[exim.gov/about/whoweare/partners/city-state-partners.cfm](http://exim.gov/about/whoweare/partners/city-state-partners.cfm)

### Minority & Women-Owned Business:

Are you a Minority or Woman-Owned Business? We have a team of Export Finance Managers dedicated to assisting Minority and Women-Owned Businesses increase exports:

[exim.gov/about/whatwedo/specialassistance/women-and-minorities.cfm](http://exim.gov/about/whatwedo/specialassistance/women-and-minorities.cfm)



For questions about these programs,  
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