

Credit Guarantee Facility Training



Reducing Risk. Unleashing Opportunity.

Key Presentation Highlights



- Introduction to Credit Guarantee Facilities (CGFs)
- Required CGF Disbursement Documents
- Electronic Compliance Program for CGF Disbursement Approvals
- CGF Consolidations
- Credit Administration Resources and Contacts

Introduction to Credit Administration



Responsibilities of Credit Administration, a unit within the Credit Administration and Claims Processing Division under the Office of Board Authorized Finance (OBAF):

- Approves medium-term guarantee disbursements
- Approves L/Cs and reimbursements for loans and long-term guarantees
- Acts as “Gatekeeper” for foreign content and other EXIM policies
- Ensures compliance with U.S. flag shipping requirements as per P.R. 17
- Provides training and assistance to lenders, borrowers and exporters before and after disbursements begin

Characteristics of Credit Guarantee Facilities



- One-year "line of credit" for on-going purchases of eligible U.S. goods and services
- Reachback date for goods and services limited to 180 days prior to the start date of each consolidation period
- Two 180-day disbursement and consolidation periods
- Repayment term: 2 – 5 years (exceptionally 7 years)
- EXIM Exposure Fee rate depends on term selected
- EXIM Facility Fee paid during each consolidation period

Exporter Eligibility



REQUIREMENT: List of prequalified exporters

- Initial list of U.S. exporters provided at application
- EXIM-approved U.S. exporter list required prior to operative
- New U.S. exporters must be approved by EXIM prior to disbursement
- Contact: OBAF underwriting division for additions to U.S. exporter list and allow 10 business days for processing

Product Eligibility



REQUIREMENT: Indicative product list

- List of U.S. goods and services to be financed
 - Required at application
 - OBAF underwriting division and Engineering & Environment Division review for general eligibility
- CGF legal documentation includes list of Excluded Goods and Services (e.g., nuclear, munitions, short-term, etc.)

Legal Documentation



Facility and guarantee agreements between EXIM, Lender and Borrower:

- Electronic disbursement approval process (ECP)
- Excluded Goods and Services List
- Note consolidation procedures
- No EXIM guarantee legends on notes
- Lender document retention requirement same as M/T MGA
- Remedies for documentary non-compliance
- Ability to "inspect" documents by EXIM

Required CGF Disbursement Documents for U.S. Exports



➤ Required CGF disbursement documents for U.S. exports:

- U.S. invoice
- Evidence of payment
- Evidence of export
- Exporter's Certificate
- Affiliation Certificate (if required)
- Used Equipment Questionnaire (if applicable)



“Disbursements against documents and certifications” is the underlying premise of EXIM financing.



CGF Disbursement Documents: Invoices



Invoice requirements:

- Issued by a U.S. exporter approved by EXIM
- U.S. address
- U.S. dollars
- For U.S. goods/services that are not on list of Excluded Goods and Services
- Addressed to foreign buyer/Borrower approved by EXIM or
 - Back-to-back invoices needed if foreign buyer/Borrower buys U.S. products from foreign intermediary (i.e., dealer, distributor)
- Commercial/payment invoice not pro forma invoice
- Copies are acceptable

CGF Disbursement Documents: Evidence of Payment



➤ Acceptable evidences of payment:

- Copy of commercial bank's advice of payment to U.S. exporter
- Copy of both sides of a canceled check made payable to U.S. exporter
- Letter from U.S. exporter confirming payment of invoices
 - List of invoices and amounts paid
- Invoice stamped "paid" and paid stamp signed by U.S. exporter
- Copies are acceptable



Note: Proof of payment must cover cash payment as well as financed amount.

CGF Disbursement Documents: Evidence of Export



- Evidence of export of U.S. goods:
 - Signed and dated clean onboard ocean or truck bill of lading; air or rail waybill showing shipment from U.S. to Borrower's country
 - U.S. flag vessel required for ocean shipments for disbursement requests over \$20 million to \$25 million (excluding Exposure Fee) unless "waiver" obtained from MARAD
 - Truck bills of lading showing shipment to U.S. border city acceptable for land shipments to Mexico
 - Bill of lading must be signed by carrier, freight forwarder or shipping agent
 - Freight forwarder's receipts and pedimentos are not acceptable
 - Copies are acceptable
- CGF requirement: Bill of lading date must be no earlier than 180 days before the start date of each consolidation period



CGF Disbursement Documents: Evidence of Export



- Evidence of export of U.S. services:
 - Exporter must have performed service (refer to certification in Exporter's Certificate)
- CGF requirement: Date of invoice for services must be no earlier than 180 days before the start date of each consolidation period

CGF Disbursement Documents: Exporter's Certificate



- The Exporter's Certificate is a document unique to EXIM.
- Forms:
 - Current Exporter's Certificate form is EIB 11-05 dated 11/2021: [EXIM Exporter's Certificate \(EIB 11-05\)](#)
 - Certifications and Covenants form is EIB 15-05 dated 11/2021: [Certifications and Covenants for Exporter's Certificate \(EIB 15-05\)](#). These Certifications are incorporated into the Exporter's Certificate as if fully set forth therein.
- Basic Requirements:
 - Issued by a U.S. company with a U.S. street address
 - No alterations or changes allowed
 - Completely filled out
 - Signed by authorized representative of the U.S. company, including name and title
 - Signature must match name of signatory
 - **Lists U.S. company's invoice(s) covered by the requested disbursement in Supply Contract section**
 - Copy of signed original acceptable

CGF Disbursement Documents: Exporter's Certificate



Disclosures:

- Disclosures to the Exporter's Certificate (EIB 11-05) or the Certifications and Covenants (EIB 15-05) may require prior EXIM approval





CGF Disbursement Documents: Exporter's Certificate



- U.S. Content Policy Applicable to CGFs:
 - EXIM cover is for the lesser of 85% of the "Net Contract Price" or 100% of the U.S. content of the value of the U.S. exporter's invoice(s) presented with each disbursement request
 - All goods and services in the Net Contract Price must be shipped from the U.S.
 - Minimum 15% cash payment required
 - Exporter's Certificate provides disbursement percentage applied to the value of all invoices from that U.S. exporter presented in a single disbursement request
 - Note: a single disbursement request is currently limited to \$25 million excluding Exposure Fee
 - Any Excluded Goods and Services or Local Costs that are disclosed on the Exporter's Certificate must be deducted from invoice value before calculating financed amount

CGF Disbursement Documents: Affiliation Certificate



- Affiliation Certificate, if required:
- Is completed by each U.S. exporter
- Discloses any direct or indirect ownership interest between U.S. exporter and foreign buyer/Borrower
 - If U.S. exporter is related to foreign buyer/Borrower, Lender must obtain written waiver before disbursing
- Copies are acceptable
- Not required for certain CGFs (e.g., large foreign buyer)



CGF Disbursement Documents: Used Equipment Questionnaire



- EXIM's pre-approval of used equipment required prior to disbursement
 - Used Equipment Questionnaire completed by U.S. exporter
 - Lender submits Questionnaire to Credit Administration
 - EXIM's Engineer reviews and determines appropriate repayment terms
 - Credit Administration notifies Lender of eligibility and term
 - Copies are acceptable

CGF Disbursement Procedures



- Disbursements may not occur until CGF is operative (i.e., legally effective)
- Final disbursement date is the second consolidation period end date (i.e., 360 days from Operative Date)
 - Two 180-day disbursement and note consolidation periods
- Most frequently used disbursement method: Reimbursement to Borrower for payments previously made to U.S. exporters
 - Other disbursement methods may be utilized if requested upfront prior to drafting of legal documentation (e.g., direct disbursements to U.S. exporters and letter of credit payments to U.S. exporters)

CGF Disbursement Procedures--Reimbursement



- Prior to reimbursement to Borrower, Borrower submits to Lender:
 - Request for reimbursement indicating repayment term
 - Itemized Statement of Payments (ISP) for each exporter
 - Link to ISP form: [eib18-02_itemized_statement_of_payments-us_costs_for_exim_cgf - final.xlsx \(live.com\)](https://live.com/eib18-02_itemized_statement_of_payments-us_costs_for_exim_cgf_-_final.xlsx)
 - Required CGF disbursement documents (including evidence that U.S. exporter's invoices have been paid in full)
- Each reimbursement request (excluding Exposure Fee) must be at least \$100,000 but not more than \$25,000,000

CGF Disbursement Procedures—Direct Disbursement



- Prior to disbursement to U.S. exporter, Borrower submits to Lender:
 - Request for disbursement indicating repayment term
 - Itemized Statement of Payments (ISP) for each exporter: [eib18-02_itemized_statement_of_payments-us_costs_for_exim_cgf_final.xlsx \(live.com\)](#)
 - Required CGF disbursement documents (including evidence that U.S. exporter has received minimum 15% cash payment)
- Current requirement: Each direct disbursement request (excluding Exposure Fee) must be at least \$100,000 but not more than \$25,000,000

CGF Disbursement Procedures



- Before disbursing, Lender verifies:
 - U.S. goods and services are not listed on Excluded Goods and Services list
 - U.S. exporter has been approved by EXIM
 - Required disbursement documents are correct and complete
 - Goods shipped/services invoiced no earlier than 180 days prior to the start date of each consolidation period
 - If required, Affiliation Certificate indicates no affiliation between U.S. exporter and foreign purchaser
 - If applicable, used equipment approval received from EXIM
 - Financed amount for each exporter calculated correctly
 - Applicable Exposure Fee rate based on requested repayment term
- Lender disburses and wires Exposure Fee to EXIM

CGF: Electronic Compliance Program



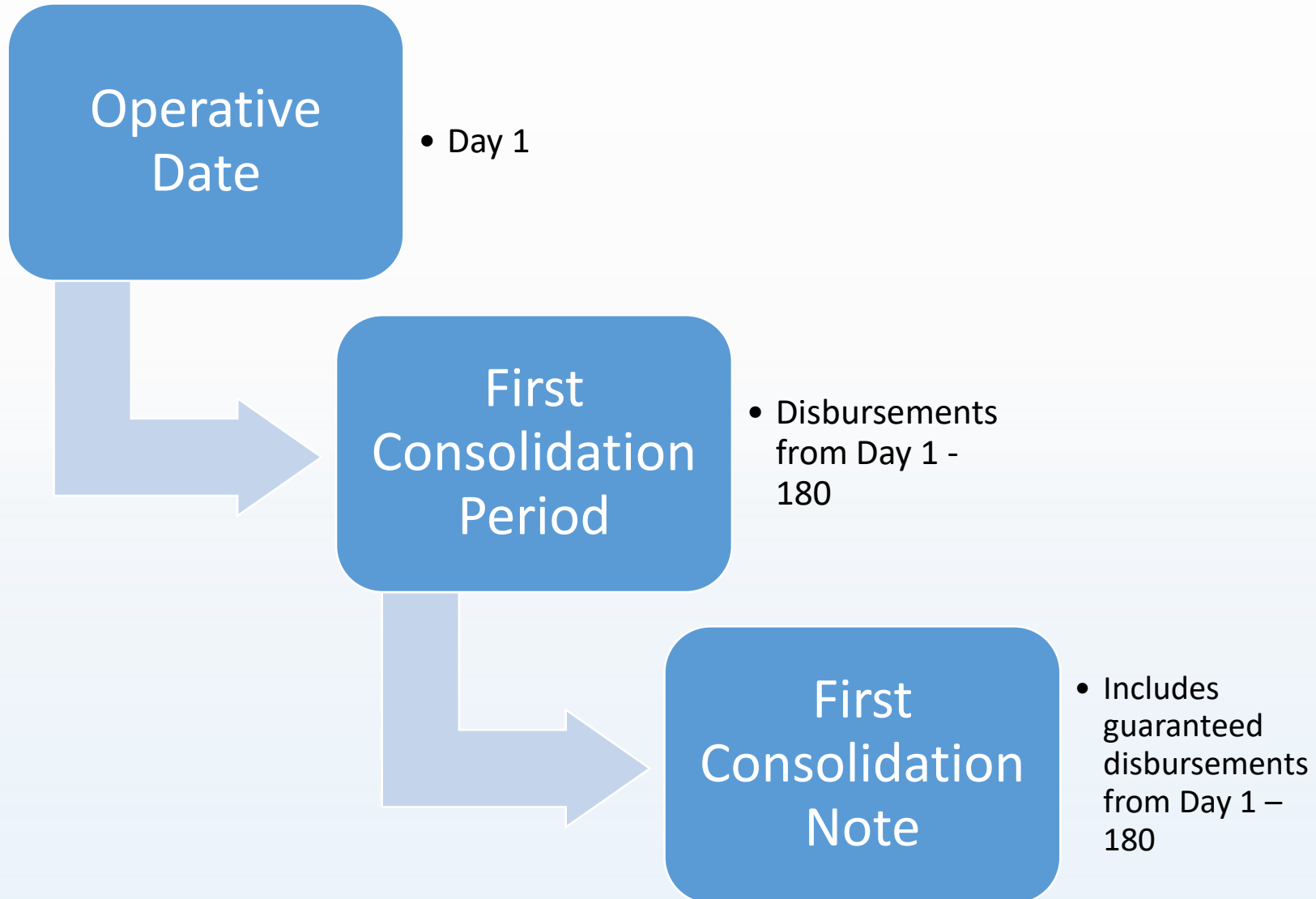
- Electronic Compliance Program in EXIM Online (ECP- EOL) provides for electronic disbursement approval
- Lender submits disbursement information (ECP request for disbursement approval) for approved U.S. exporter(s) electronically via secure website in EXIM Online (EOL)
 - Lender should submit the request within 3 days of disbursement
 - EXIM is not obligated to accept any request submitted more than 30 days after disbursement
- EOL assigns a disbursement identification number
 - EXIM relies on the Lender's compliance certifications which are contained in the ECP request for disbursement approval
 - Contact person submitting request for disbursement approval binds the Lender

CGF: Electronic Compliance Program

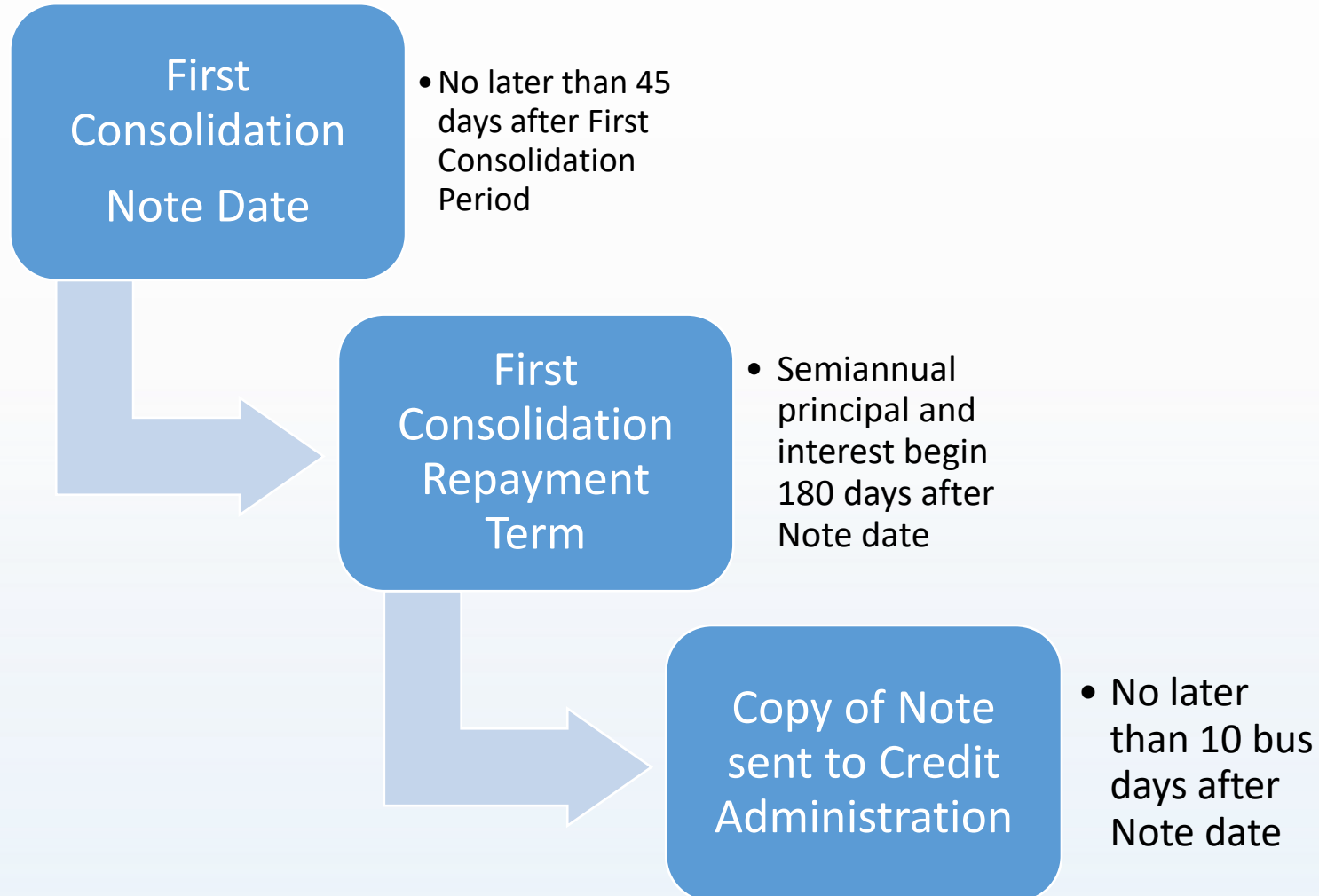


- Credit Administration receives electronic disbursement approval request in EOL:
 - Reviews ECP request
 - Confirms receipt of Exposure Fee
 - Approves disbursement electronically
 - Disbursement approval posted on Lender's ECP-EOL page
- Lender required to retain disbursement documents for 7 years beyond final repayment
- EXIM's compliance review function is managed by the Credit Review and Policy Division
- Credit Administration also conducts disbursement spot checks

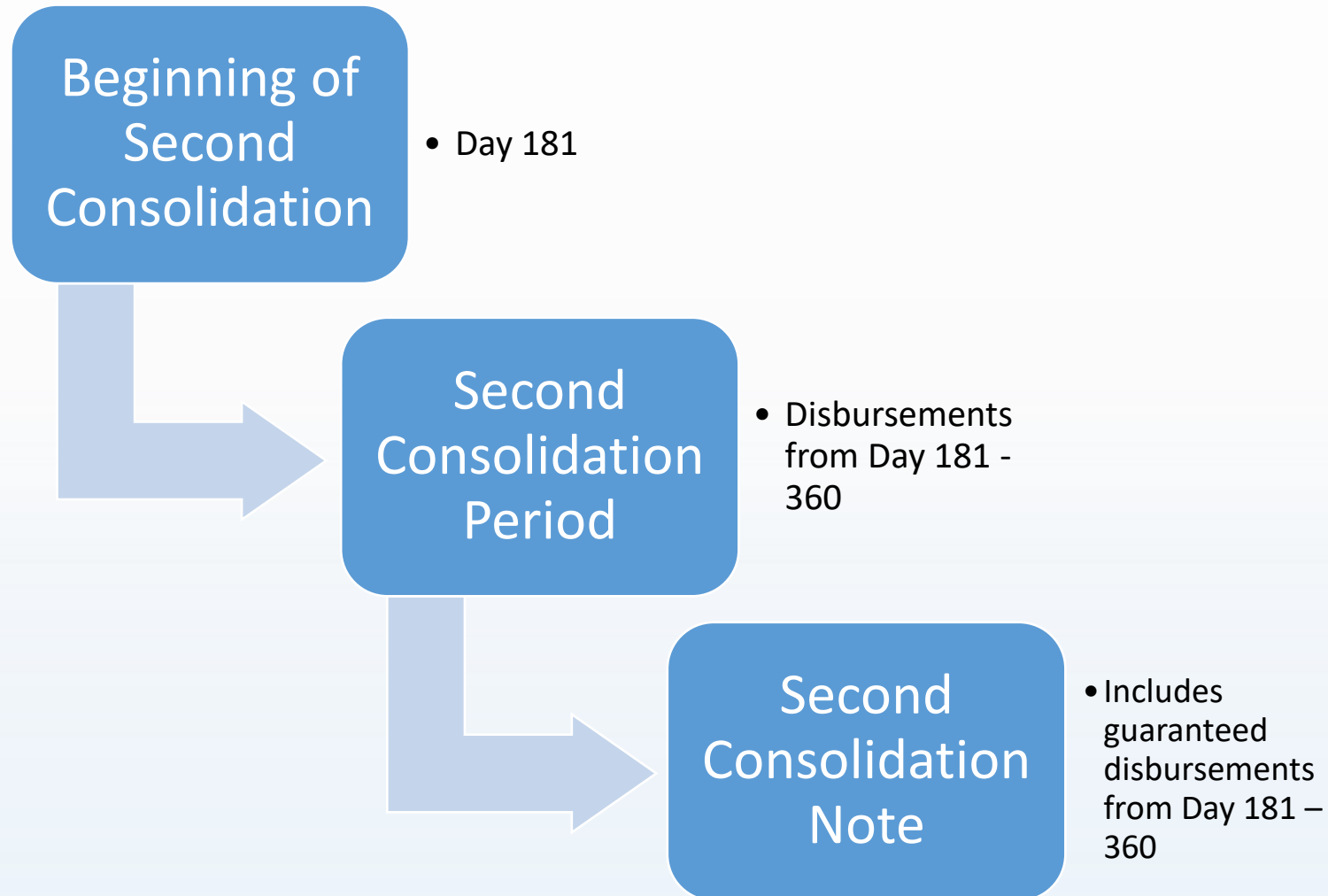
CGF Consolidation Procedures: First Consolidation



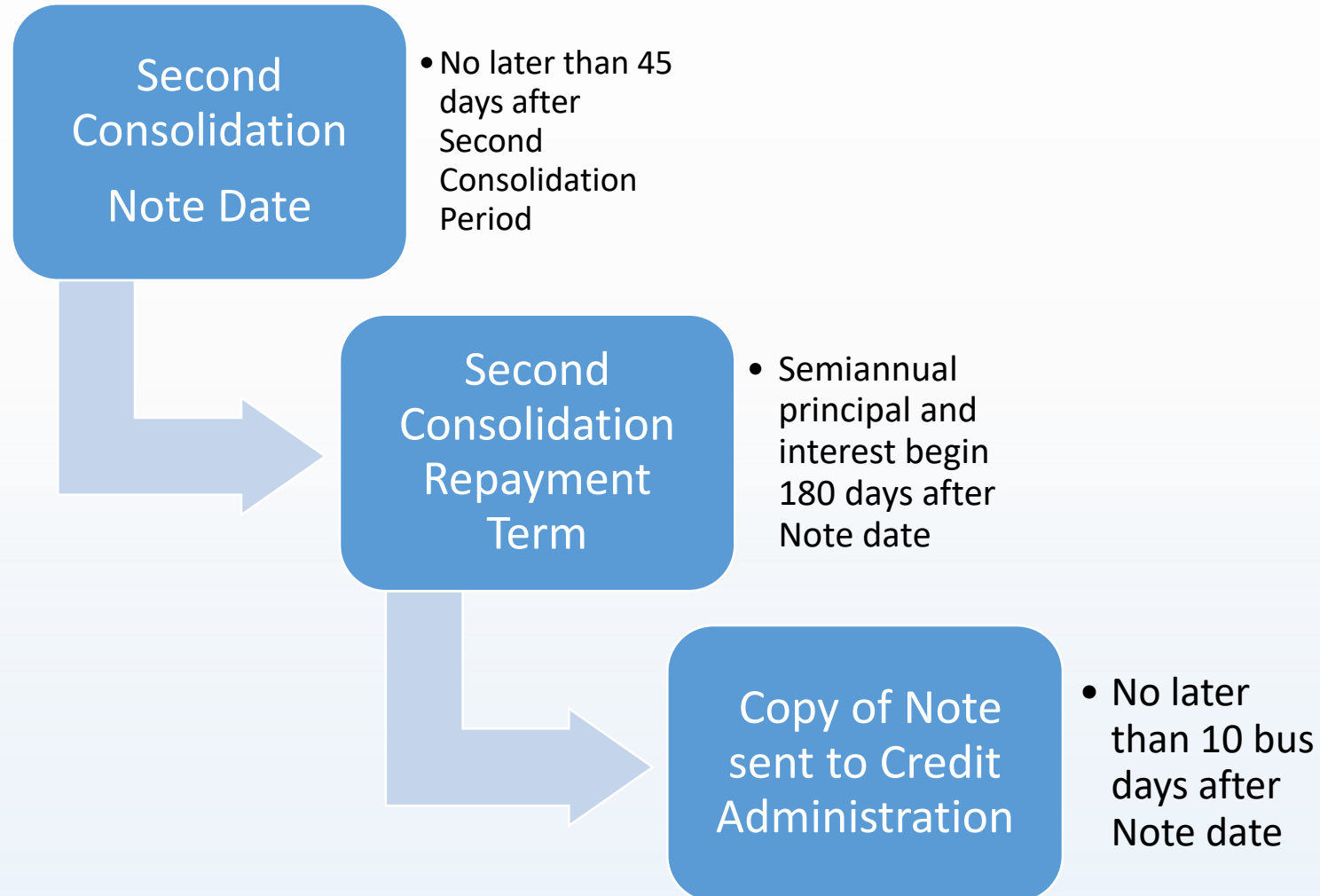
CGF Consolidation Procedures: First Consolidation



CGF Consolidation Procedures: Second Consolidation



CGF Consolidation Procedures: Second Consolidation



EXIM Contacts for CGF Questions



➤ Who to call about transaction questions related to CGFs:

Assigned Loan Officer:

- Application questions
- Updates to Exporter List
- Amendments
- Facility Fee

Assigned Credit Administration Officer:

- Used Equipment Questionnaire
- Disbursement questions
- EOL/ECP disbursement approval process



Credit Administration Information on the Web



- EXIM web site: www.exim.gov
- Click on Resources, Select a page, Credit Administration and Disbursements
 - [Credit Administration and Disbursements | EXIM.GOV](#)
 - EXIM Exporter's Certificates
 - Fact Sheets (Invoices, Exporter's Certificate, Proof of Payment, Evidence of Export)
 - Presentations about disbursement procedures
 - Information about EXIM's disbursement portal and Itemized Statement of Payments

Vice President
CACP Staff

Donna Schneider	202 565 3612
Kit Arendt	202 565 3480
Amy Davis	202 464 3922
Agita Knudsen	202 565 3651
Judy McClain	202 565 3482
Rodrigo Patzy	202 565 3648
Sherise Perry	202 565 3617

E-mail addresses at EXIM: firstname.lastname@exim.gov



Reducing Risk. Unleashing Opportunity.

www.exim.gov
1-800-565-3946 (EXIM)

