EXIM
EXPORT-IMPORT BANK
OF THE UNITED STATES

Export Finance Solutions for U.S. Businesses

exim.gov

Who We Are

The Export-Import Bank of the United States (EXIM) is an independent federal government agency that supports American jobs by facilitating the export of U.S. goods and services. In the last decade, EXIM has supported more than 1.7 million jobs in all 50 states.

With more than 110 other export credit agencies around the world trying to win jobs for their own countries, EXIM helps level the playing field for American businesses. "Made in the USA" is still the best brand in the world, and the agency ensures that U.S. companies never lose a sale because of attractive financing from foreign governments. When the private sector is unable or unwilling to provide export financing, EXIM fills the gap through its loan, guarantee, and insurance products. Private-sector lenders are simultaneously EXIM's partners.

EXIM also contributes to economic growth by supporting thousands of small and medium-sized businesses across the country. Small businesses are EXIM's core customers, with about 90 percent of the agency's transactions directly supporting small businesses. No transaction is too large or too small.

As the global middle class expands and technology makes the world more interconnected, opportunities have never been greater for American businesses to compete worldwide. With EXIM support, U.S. companies have the confidence to enter new markets and increase sales in existing ones.

Export Credit Insurance

Export credit insurance is an insurance policy that protects a company from nonpayment by international buyers. U.S. companies are assured their bottom line will be protected if a foreign customer fails to pay. EXIM's insurance policies can cover an entire export portfolio, a handful of foreign buyers, or just one single buyer. Most policies come with the added benefit of only paying a premium upon shipment. EXIM export credit insurance offers significant benefits to U.S. companies:

Protects Against Nonpayment

Accounts receivable are often a large, uninsured asset on a company's balance sheet. Export credit insurance allows businesses to safeguard their foreign receivables by covering up to 95 percent of the invoice value.

Allows Credit to be Extended

Foreign buyers prefer open account credit terms rather than harm their cash flow by paying in advance. EXIM's insurance is a sales tool that empowers U.S. companies to negotiate advantageous credit terms for qualified foreign buyers up front. Offering credit can be the competitive edge that wins deals.

Provides Access to Funds

EXIM's insurance enhances cash flow by transforming foreign accounts receivable into receivables that are insured by the U.S. government. With this insurance in place, lenders are more likely to advance U.S. companies a loan against this collateral.

Success Story

Classic American Hardwoods | Memphis, Tennessee

Like most small businesses, Classic American Hardwoods (CAH) maintains cash flow through asset-based lending, a revolving line of credit that is secured to the lender by the borrower's inventory and assets. In 2007, CAH began purchasing private export credit insurance and business boomed – then the financial crisis of 2008 hit. The insurer, wary of international risk, canceled CAH's policy at a time when exports comprised 60 percent of total sales. The owner was forced to lay off half of the company's 120 employees, and those who remained took a pay cut. To survive, CAH turned to EXIM to insure its exports. Ten years later, CAH increased revenue by 67 percent, with 100 percent of the increase due to exports that now reach customers in 27 countries. As a result, CAH rehired 60 workers, added 15 new jobs, and topped $150 million in sales.

Working Capital

For many U.S. companies, a lack of access to financing can stand in the way of global growth. Commercial lenders do not always have the capacity or willingness to provide loans to businesses that export to challenging markets or to support riskier transactions.

EXIM works with commercial lenders to help businesses secure financing for international sales through its working capital loan guarantee. With EXIM support, small businesses are able to turn their inventory and foreign accounts receivable into eligible collateral for these loans. EXIM provides a 90 percent guarantee to pre-approved lenders, giving them the incentive and cover needed to back a loan.

EXIM does not replace private lenders. The EXIM guarantee backs up the loans, giving lenders the confidence to provide American businesses with the cash needed to produce "Made in the USA" exports.

U.S. companies may use their line of credit to:

- Pay for materials, equipment, supplies, labor, and other inputs to fulfill export orders.
- Post standby letters of credit to serve as bid bonds, performance bonds, or payment guarantees.
- Purchase finished U.S.-made products for export.

Success Story

Competitive Engineering, Inc. | Tucson, Arizona

Competitive Engineering Inc. (CEI), a small business manufacturer of precision-machined parts, turned to EXIM for help fulfilling export orders and maintaining cash flow. Using EXIM's working capital loan guarantee, CEI's lender included the company's foreign accounts receivable in its borrowing base and provided a larger ($2.5 million) line of credit. CEI uses the funds to cover inventory and purchases of materials and to maintain cash flow while awaiting payments for its foreign accounts receivable. This capacity has enabled CEI to remain competitive and sustain exports to major buyers in Mexico and the Philippines. Exports now account for approximately 40 percent of revenue for this 73-employee company.

Financing for Foreign Buyers

Foreign buyers sometimes require a medium- or long-term financing package to purchase U.S. goods and services. In the cases where private-sector financing is not available, EXIM fills the gap by securing competitive financing for creditworthy international buyers. EXIM can guarantee or insure commercial loans, providing longer-term financing for U.S. export sales. The buyers can be sovereign or sub-sovereign governments, or they can be public or private-sector entities. EXIM loan and loan guarantee repayment terms can be up to 18 years.

Success Story

Barry-Wehmiller Companies, Inc. | St. Louis, Missouri

Barry-Wehmiller Companies is a global supplier of manufacturing technology and services. Its subsidiary, BW Papersystems, had an opportunity to supply manufacturing equipment to Costa Rica's leading producer of corrugated packaging products. Unfortunately, the customer was having trouble securing funds to purchase these U.S.-made goods. EXIM enabled two separate transactions for this Costa Rican buyer, totaling approximately $7.4 million. With EXIM backing 100 percent of the principal and accrued interest, the lender felt more secure to offer a longer-term loan with better interest rates and made the sales possible for BW Papersystems.

Project and Structured Financing

EXIM offers flexible options for project and structured financing for foreign buyers. EXIM's financing covers a broad cross section of industries, including:

- Thermal and renewable energy
- Mining
- Technology
- Satellites
- Telecommunications
- Transportation
- Infrastructure

EXIM primarily guarantees loans made by commercial lenders to support these exports, but also provides direct loans when needed. Repayment terms are usually between 10 and 18 years (not including construction), depending on the project characteristics.

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