



Maximize Borrowing Potential

Benefits

- Fulfills export sales orders
- Turns export-related inventory and accounts receivable into cash to grow sales
- Expands access to financing

Dependable sources of working capital are the key for a company's financial stability and expansion. Ex-Im Bank's working capital financing assists U.S. exporters obtain loans to produce goods or services for export. These working capital loans, made by commercial lenders and backed by Ex-Im Bank's guarantee, provides U.S. businesses with the liquidity to accept new business, grow international sales, and compete more effectively in the international marketplace.

Ex-Im Bank assumes 90% of the lender's credit risk to help exporters get their financing needs. The Bank's pre-qualified commercial lender partners, working under Ex-Im Bank's delegated authority, can expedite the loan process by committing Ex-Im Bank's guarantee without prior approval. For a list of these lenders, please refer to <http://www.exim.gov> under "Partners."

With the guarantee in place, exporters can use these working capital loans to purchase raw materials, supplies, labor and related overhead, as well as cover standby letters of credit serving as bid or performance bonds. Typically, loan terms are for one year, but can go up to three years. The working capital line can be either transaction-specific or revolving, and there is no minimum or maximum transaction amount.

These guaranteed working capital loans are secured by export-related accounts receivable and inventory (including work-in-process) tied to an export order.

With generous advance rates, businesses can borrow more with less:

- **Export-related Inventory:** Up to 75% advance rate (including work-in-process)
- **Foreign Accounts Receivable:** Up to 90% advance rate

For letters of credit issued under the guaranteed loan, Ex-Im Bank will consider collateral for 10% of the value of the letter of credit.

Ex-Im Bank also supports indirect exports. Companies that produce goods or services that are sold to U.S. companies and are subsequently exported are also eligible to apply for working capital loans guaranteed by Ex-Im Bank.

Key Qualifications

- Exporters should have a one-year operating history and a positive net worth.
- Products must be shipped from the United States.
- Products must be more than 50% U.S. content.
- Services must be performed by U.S.-based personnel.
- Ex-Im Bank cannot support exports of military/defense products and services (with some exceptions), or purchases made by military buyers.

For loans not meeting the above criteria and for smaller financing needs, the Bank encourages companies to contact the Small Business Administration (SBA) by calling 800.U.ASK.SBA or visiting <http://www.sba.gov>.

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Access

Delegated Authority Lenders – Prequalified commercial lending partners with delegated authority from Ex-Im Bank can commit its guarantee without prior approval. Most of Ex-Im Bank's working capital financing is provided by these lenders. For a list of lenders, go to http://www.exim.gov/products/work_cap.cfm. Call 800.565.EXIM (3946).

Maximizing Exporter's Borrowing Base with Ex-Im Bank

	Exporter's Working Capital Facility without Ex-Im Bank	Exporter's Working Capital Facility with an Ex-Im Bank Guarantee
Collateral	Advance Rate	Advance Rate
Export Inventory		
Raw Materials	20%	75%
Work-in-Process	0%	75%
Finished Goods	50%	75%
Export Accounts Receivables		
On Open Account	0%	90%
By Letter of Credit	70%	90%

Aquatech International Canonsburg, Pennsylvania

"In today's challenging global economic environment, Ex-Im Bank support of our exports gives us opportunities that we otherwise would not have. Ex-Im Bank has had a positive impact on our continued growth."

Venkee Sharma – President and CEO

Aquatech needed funds to fulfill its growing export orders so it sought Ex-Im Bank's support. The company's use of Ex-Im Bank's working capital guarantee has grown from \$1 million to \$42 million in 2010 over a 16-year period as the green technology company expanded foreign sales of industrial water and wastewater treatment products and services. Its technology includes zero liquid discharge treatment, water reuse, and desalination.

The company ships to Asia, Latin America, and the Middle East.



Next Step:

Ex-Im Bank's local experienced Export Finance Managers are ready to help U.S. businesses win sales worldwide. They will also answer questions and expedite the application process. Simply call 800.565.3946. Learn more at <http://www.exim.gov/smallbusiness> — Follow us on <http://www.twitter.com/eximbankus>

