



SMALL BUSINESS
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Working Capital Guarantee Comparison

Small Business Administration and Ex-Im Bank

Working Capital Guarantee	Ex-Im Bank	SBA
	Ex-Im Bank (Delegated Authority)	(Normal processing & Preferred Lender Program)
Type	Single order or revolving line of credit	Same. Advances on purchase orders are allowed-advance rates can be based on cost of goods sold (labor, material & overhead)
Maturity	Generally 1 year (can be up to 3 years to match the tenor of an existing facility.)	Generally 1 year (can be up to 3 years)
Guaranty	90%	90%
Eligible Borrowers	Sole proprietorships, partnerships and corporations. One year in business with a sales history. Located in the United States.	Sole proprietorships, partnerships and corporations. One year in business (can be waived based on management's experience) Must be a small business by SBA size standards (including affiliates). Located in the United States.
Financial Requirements	Must have positive tangible net worth. Must meet industry lower quartile for 4 out of 7 key ratios (RMA standards). (An exception to this policy is possible with extended processing time.)	Ex-Im Bank requirements do not apply.
Eligibility Restrictions	Minimum 51% U.S. product content; No Defense or Nuclear products/ services or customers; Must be an export from the U. S. Minimum 1 year in business	No minimum U.S. content requirement. Defense/Nuclear customers, products are allowed with proper licensing. Must be an export from the U.S. SBA Personal Resource Test for owners.
Use of Proceeds	To acquire inventory and pay for production costs; To purchase goods for resale; Delivery of services; To support Stand-by Letters of Credit with reduced (25%) collateral.	Same.

(over)

Working Capital Guarantee	Ex-Im Bank	SBA
	Ex-Im Bank (Delegated Authority)	(Normal processing & Preferred Lender Program)
Collateral	First priority security interest in export inventory and accounts receivable; Inventory cannot exceed 60% of collateral; Personal and corporate guarantees of 20% or more owners; Assignment of Letters of Credit or Foreign Credit Insurance (if applicable). Same, except: Personal guaranty may be waived if WCG lender provides a similarly sized existing domestic facility without one. VC firms and other investment groups are exempt from guaranty requirement.	Same as Ex-Im Bank normal processing except no restriction on inventory as a percent of collateral.
Loan Amount	No limit when processed directly with Ex-Im Bank. Six Levels of Authority for Lenders ranging from \$1MM to \$25MM per exporter & from \$10MM to \$150MM aggregate per lender DA limits may be exceeded with Ex-Im Bank review and approval.	Borrower limits: \$4.5 million maximum guaranty AND \$5 million maximum loan amount No limit per lender.
Application Fee	\$100	None.
Other Fees	Facility fee depends on term of loan: up to 6 months: .75% (lender retains .50%) 12 months: 1.50% (lender retains 1.25%) Fees can be reduced with full receivables coverage and/or meeting or exceeding certain financial criteria. Lender may charge additional fees as deemed appropriate.	≤ 12 months: 1/4% (of guaranteed portion) 55 basis points ongoing fee charged to lender as with all SBA 7(a) loans Lender may charge additional fees as deemed appropriate. Not subject to SBA limits on interest rates and fees.
Field Examinations	Same as Ex-Im normal processing.	None required in most cases.
Interest Rates	Negotiable with Lender.	Negotiable with Lender.
Borrowing Base Certificates	Required monthly.	None.

Notes: Comparisons are for loans up to \$5 million, SBA's lending limit. This is meant to be a summary and does not address every feature.

For more information, please call 800.565.3946 to connect to a local Export Finance Manager. Visit <http://www.exim.gov> Follow us on <http://www.twitter.com/eximbankus>

