



## EXIM BANK BOARD OF DIRECTORS FREQUENTLY ASKED QUESTIONS

### **What is the composition of EXIM Bank’s Board and how are they selected?**

As outlined in its charter, EXIM Bank’s Board of Directors is composed of five members:

The President of the Export-Import Bank of the United States who shall serve as Chairman, the First Vice-President who shall serve as Vice Chairman, and three additional persons appointed by the President of the United States by and with the advice and consent of the Senate. Of the five members of the Board, not more than three shall be members of any one political party (Sec 3(c)(2)).

### **How many Board members are needed for a quorum?**

A quorum requires three Board members.

### **How would an absence of a quorum impact EXIM Bank’s activities?**

Without a quorum, the Board of Directors cannot conduct any business including considering applications for medium- and long-term transactions exceeding \$10 million, the very transactions that benefit thousands of American small-business exporters and suppliers.

In addition, the Export-Import Bank Reform and Reauthorization Act (P.L. 114-94) contains three provisions, which require action from the EXIM Board of Directors in order to be implemented. The following sections require Board approval and/or action: Section 54002, Certain Updated Loan Terms and Amounts; Section 51004, Office of Ethics; Section 51005, Chief Risk Officer; and Section 51006, Risk Management Committee.

### **When will the terms expire for the existing Board members?**

The terms for both Chairman Fred Hochberg and Vice Chair Wanda Felton are set to expire in January 20, 2017. In January 2016, President Obama nominated Republican Mark McWatters to the Board for a term expiring on January 20, 2019.

There are two remaining vacancies — a position for a Republican or Independent candidate with a term expiring on January 20, 2017 and a position for a Democrat or Independent lasting through January 20, 2019. All of the Board positions are permitted an automatic 6-month extension.

(over)

## Of the total transactions authorized by the EXIM Bank, how many were reviewed by the Board of Directors?

The Board of Directors reviews medium- and long-term transactions over \$10 million, which accounts for approximately two-thirds of all Bank transactions by dollar value. However, as nearly 90% of EXIM Bank transactions are for small businesses, the majority of transactions authorized by the Bank does not go before the Board. Below is a chart that provides a breakdown of the transactions approved by the Board in FY2014 and FY2015.

Authorization Fiscal Year	Decision Making Body	Authorization Amount (\$million)	% of FY Total	Count	% of FY Total
2014	Board	\$13,701.1	67%	80	2%
	Non-Board	\$ 6,766.8	33%	3,666	98%
2014 Total		\$20,467.9	100%	3,746	100%
2015	Board	\$ 8,177.4	66%	58	2%
	Non-Board	\$ 4,205.6	34%	2,572	98%
2015 Total		\$12,383.0	100%	2,630	100%

## What are the roles and responsibilities of EXIM’s Board of Directors?

Per EXIM’s Charter, the Bank’s President serves as Chairman of the Board and the First Vice President serves as Vice Chair (and pursuant to our Bylaws, the United States Trade Representative and the Secretary of Commerce are ex officio non-voting members of the Board of Directors). In the case of the absence or disability of the President of the Bank, or a vacancy in that office, the First Vice President serves as the acting President of the Bank.

The Board generally meets on a weekly basis where they may consider individual transactions, Bank policies, or other business that may arise. In preparation for the weekly Board meetings, Directors receive supporting documentation and individual staff briefings, as needed. In addition to the regular Board duties, EXIM’s charter provides that members of the Board shall perform additional duties as assigned by the President of the Bank (Sec. 3(c)(5)). Historically, the President of the Bank has assigned business development responsibilities to Board members, with focus areas including a geographic region, sector, or constituency (i.e. small business). These responsibilities may vary by each Bank President and may be reassigned as different President’s see fit.

In addition, members of the Board fulfill roles and responsibilities such as, approving the 17 members of the Bank’s Advisory Committee on the recommendation of the Bank President; approving a Chief Ethics Officer and a Chief Risk Officer who are appointed by the Bank President; and establishing an advisory committee to advise the Board on the development and implementation of policies and programs for financial commitments in sub-Saharan Africa. Board members have also participated in educational seminars for small businesses, known as Global Access Forums, and have worked with the Bank’s stakeholders, including Members of Congress and state and local governments.