

## Medium- and Long-Term Content Policy

*The following Fact Sheet applies to all medium and long-term transactions*

Ex-Im Bank's mission is to support U.S. jobs through exports. To fulfill its jobs mandate, Ex-Im Bank relies on U.S. content as a proxy to evidence support for U.S. jobs. Accordingly, there are foreign content eligibility criteria and limitations on the level of foreign content that may be included in Ex-Im Bank's financing package.

### Eligibility

To be eligible for Ex-Im Bank financing, goods and services in a U.S. export contract must be *shipped from the United States to a foreign buyer*. Eligible goods and services in a U.S. export contract are those:

- Produced/originated entirely in the U.S.;
- Containing U.S.- or foreign-originated components; and
- Produced/originated entirely in a foreign country (other than the buyers country).<sup>1</sup>

### Level of Support

The total level of support for a export contract will be the lesser of:

- 85% of the value of all eligible goods and services in the U.S. export contract; or
- 100% of the U.S. content in all eligible goods and services in the U.S. export contract.

Ex-Im Bank support for individual disbursements/shipments is based on the aggregate U.S. and foreign content percentages represented in an up-front Exporter's Certificate, irrespective of the relative amounts of U.S. and foreign content in any specific disbursement/shipment request. Goods transshipped from another country through the U.S. (including entry through a bonded warehouse) are Excluded Goods and are not considered eligible foreign content.

Note: Material changes in the amount of foreign content from the up-front certification must be notified to Ex-Im Bank and future disbursements will be adjusted so that only the value of the U.S. content is supported by Ex-Im Bank. Please contact Ex-Im Bank for additional information on this point.

### An Example of Ex-Im Bank's Medium- and Long-Term Foreign Content Policy

This foreign content policy illustration is based on a hypothetical telecommunications project with a \$10.3 million U.S. export contract, of which \$8.0 million is U.S. content and \$2.3 million is foreign content. Of the Foreign Content, \$2.0 million is eligible foreign content and the remaining \$0.3 million is ineligible foreign content (because it was not shipped from the U.S.). Therefore, by adding the U.S. content (\$8.0 million) with the eligible foreign content (\$2.0 million), then the total eligible U.S. export contract is \$10.0 million. Ex-Im Bank can guarantee or insure up to \$8.0 million in financing for these exports.

For this transaction, aggregation by U.S. export contract means that Ex-Im Bank will disburse 80% (which is the U.S. share of the eligible portion of the U.S. export contract) of the invoice value(s) for each

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<sup>1</sup> Please see [Financing Fees for Ancillary Services](#) regarding transaction-related banking, financial advisor, or technical and legal services that originate in a foreign country but may also be eligible for support.

disbursement request, irrespective of the relative amounts of U.S. and foreign content in each disbursement request.

<b>Goods and Services in the U.S. Export Contract</b>	<b>U.S. Content</b>	<b>Foreign Content</b>	<b>Foreign Content Shipped from the U.S.?</b>	<b>Is Foreign Content Eligible for Inclusion in Ex-Im Bank's Financing Package</b>
<b>1. Computers</b>	\$300,000	\$800,000	Yes	Yes
<b>2. Transmitters</b>	\$5,000,000	\$300,000	Yes	Yes
<b>3. Antennas</b>				
<b>a. U.S. produced</b>	\$100,000	- 0 -	N/A	N/A
<b>b. Foreign produced</b>	- 0 -	<b>\$300,000</b>	No	No, because the good was <b>not shipped</b> from the U.S.
<b>4. Microwaves</b>	\$1,000,000	\$800,000	Yes	Yes
<b>5. Cameras</b>	\$1,600,000	- 0 -	N/A	N/A
<b>6. Air Freight</b>	- 0 -	\$100,000	N/A	Yes
<b>Total:</b>	\$8,000,000	\$2,300,000	(of which \$300,000 is ineligible foreign content)	

### **More information**

For more information on Ex-Im Bank's Foreign Content Policy, please contact the Policy Group at 202.565.3760.

For information on Ex-Im Bank and its other products or policies, contact Business Development at 202.565.3946.