

Maximize Borrowing Potential

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

Benefits

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

EXIM assumes 90 percent of the lender’s credit risk to help exporters meet their financing needs. The Bank’s pre-qualified commercial lender partners, working under EXIM’s delegated authority, can expedite the loan process by committing Bank’s guarantee without prior approval.

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, most commercial lenders will require 100 percent cash collateral for standby letters of credit which reduces the exporter’s cash. In contrast, only 25 percent is required with an EXIM guarantee, thereby providing additional liquidity for the exporter. EXIM will even consider 10 percent collateralization for standby letters of credit on a cash-by-case basis.

Loan terms are available 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 percent advance rate (including work-in-process)
- **Foreign Accounts Receivable:** Up to 90 percent advance rate

For letters of credit issued under the guaranteed loan, EXIM will consider collateral for 10 percent of the value of the letter of credit.

	Exporter's Working Capital Facility without EXIM	Exporter's Working Capital Facility with EXIM
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%

EXIM 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 EXIM.

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 percent U.S. content.
- Services must be performed by U.S.-based personnel.
- EXIM 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 www.sba.gov.

Access

Delegated Authority Lenders – Prequalified commercial lending partners with delegated authority from EXIM can commit its guarantee without prior approval. Most of the Bank’s working capital financing is provided by these lenders. For a list of lenders, go to www.exim.gov/tools-for-exporters/delegated-authority-lenders.

Success Story

ElectraTherm Inc., Reno, Nevada

“EXIM is an invaluable partner for ElectraTherm. We use our EXIM line of credit to fund working capital that we need to fulfill our foreign orders and the Bank’s insurance to cover our foreign receivables. We could not obtain commercial financing without EXIM!”

— **Steve Olson**, President and Chief Financial Officer

ElectraTherm’s Power+Generator™ machines generate fuel-free, emission-free electricity from low-grade waste heat that is produced by a variety of industrial applications.

Using two EXIM products designed for small business, ElectraTherm is increasing its exports. For the past two years, the company has been using the Bank’s small business environmental insurance and an EXIM-guaranteed line of credit to insure payment from foreign customers and increase working capital to fulfill export sales orders.

Today, exports account for nearly all of ElectraTherm’s growing revenues, which are enabling the company to add to its workforce of nearly 30 full- and part-time employees. With EXIM, ElectraTherm is poised to take its heat-to-power technology to even greater levels.



NEXT STEP: EXIM's experienced regional directors and partners are ready to help your U.S. company win sales. They will answer your questions and expedite the application process.

800.565.3946 [EXIM]
exim.gov/what-we-do



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Reducing Risk. Unleashing Opportunity.

EXIM
EXPORT-IMPORT BANK
OF THE UNITED STATES