

EXPORT-IMPORT BANK OF THE UNITED STATES

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MEETING OF THE BOARD OF DIRECTORS

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THURSDAY
OCTOBER 10, 2019

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The Board met in Room 1125B, 811 Vermont Avenue, N.W., Washington, D.C., at 9:30 a.m., Kimberly A. Reed, Chairman, presiding.

BOARD MEMBERS

KIMBERLY A. REED, Chairman
JUDITH DELZOPPO PRYOR, Director
SPENCER BACHUS, III, Director

STAFF PRESENT

NATHALIE HERMAN, Vice President-Treasurer
TAMARA MAXWELL, Director, Minority and Women Owned Business & Multiplier Outreach
PAXTON ROBERTS, Policy Analyst

DAVID SENA, SVP, Office of Board Authorized Finance

ERIN STATON, Assistant General Counsel, Trade Finance and Insurance/Small Business

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P-R-O-C-E-E-D-I-N-G-S

9:34 a.m.

CHAIRMAN REED: Good morning. What a beautiful fall day. So good morning. I call the meeting to order. May I have a motion to consider Item No. 1 on the agenda?

DIRECTOR PRYOR: Motion to consider Item No. 1, PEFCO Secured Notes Resolutions for FY 2020.

CHAIRMAN REED: Is there a second?

DIRECTOR BACHUS: I second the motion.

CHAIRMAN REED: Thank you. Nathalie Herman and Paxton Roberts, please present Item No. 1.

MS. HERMAN: Good morning. So this is my first presentation to this board, and I am honored for the opportunity. This request is two-fold. First, it is a request for \$2 billion PEFCO Secured Notes issuance letter for FY2020. Second, it is a request for the board to delegate authority to OGC and OCFO to review each note issuance. PEFCO raises capital primarily through

1 the issuance of secured notes through the capital
2 market. The capital raised is to fund EXIM
3 authorized transaction. As part of our work
4 agreement with PEFCO, EXIM Bank provides
5 guarantee on interest related to the secured
6 notes.

7 Periodically during the year, PEFCO
8 will issue secured notes, EXIM will review and
9 reserve for each issuance. The interest
10 guarantee related to each issuance is added to
11 the bank's exposure. As of September 30th, the
12 bank's exposure to PEFCO on interest on secured
13 note is \$314 million. The underlying transaction
14 funded by the secured notes are guaranteed by
15 EXIM Bank. PEFCO is rated AAA by Moody's and AA+
16 by Standard & Poor's, which correspond to BCM
17 One. So staff recommends approval, and at this
18 time, I would like to thank Paxton and Nicole
19 Valtos for their work on this with me. Thank
20 you.

21 CHAIRMAN REED: Do my fellow board
22 members have any comments? Director Pryor?

1 DIRECTOR PRYOR: I don't. I think if
2 I ask one more question I've made too many
3 enemies, so thank you for your thorough briefings
4 yesterday, and Paxton, for your briefings the
5 other day. And I mean they were almost as
6 exciting as Howie Kendrick's grand slam. No
7 further comments, just to say thank you and
8 again, I continue to be amazed and awed and
9 grateful for the knowledge that you hold and the
10 depth that you go to in each of the briefings
11 that you give us. So thank you for that.

12 CHAIRMAN REED: Director Bachus?

13 DIRECTOR BACHUS: Yes, I do have some
14 comments. I think we have to very carefully
15 consider any action we take. PEFCO is a public-
16 private partnership. I think that's important.
17 I know the Hill has urged us not to crowd out the
18 private market or not to take their place. And
19 this is actually something that the private
20 market and the banks, financial institutions
21 many, many years ago came to EXIM. We're
22 reauthorizing this. That's words you hear on the

1 Hill again a lot of time. This isn't a new
2 function.

3 I think it's very important that PEFCO
4 has a successful past performance, what we'd call
5 excellent track record, and I think that is very
6 important to me. I wanted to know in the past,
7 you know, what has been the performance. And
8 it's been a good alliance between our banks and
9 our manufacturers, as well as EXIM. You've heard
10 the expression a lot of times, another tool in
11 the toolbox. This is a tool that EXIM has had
12 for years, and we're simply restoring this tool.

13 The only reason that we hadn't had it
14 is that we didn't have a board, and it has to be
15 reauthorized, and obviously Commerce, Treasury,
16 OMB all have to be notified. I don't know if any
17 of them are here today, but we've not heard any
18 negative comments. They've supported it in the
19 past. Especially true is that it's given needed
20 liquidity to assist our exporters, both large and
21 small, in economic downturns, and it's been vital
22 in preserving our manufacturing base.

1 There is a lot of concern, again, both
2 in government and among our private think tanks,
3 about our manufacturing base. In fact, it is
4 eroded, and obviously finally, our competition
5 with China, which makes this even more
6 compelling. So I thank you very much. We've had
7 extensive briefings on this. This is not a
8 first-time presentation. We've spent several --
9 and I want to compliment Board Member Pryor for
10 really a number of very insightful questions.
11 She seems to have a tremendous grasp on this
12 issue. And I appreciate the Chairman putting it
13 on the agenda.

14 DIRECTOR PRYOR: Thank you.

15 CHAIRMAN REED: I want to thank both of
16 you. Obviously this is the first time that we're
17 together because we're in a meeting now. The
18 Sunshine Act prevents us from having the
19 briefings together, and so I'm glad to hear that
20 you had robust discussions with the staff.

21 I'm going to underscore a couple
22 things that are very important to me. As you

1 know, we had put out for public comment two key
2 tests that we do, additionality and economic
3 impact. We are going to be extending that
4 deadline, and that will be announced soon because
5 we wanted to have input from all sectors and
6 really be sure that we are not crowding out the
7 private sector. Can you please tell me if what
8 we have before us today would crowd out the
9 private sector?

10 MS. ROBERTS: Chairman Reed, I'm happy
11 to answer that question for you. So PEFCO, when
12 it was originally created, it was created in
13 partnership with the private sector. In fact,
14 the private sector brought the idea for PEFCO to
15 EXIM Bank and the wider U.S. Government because
16 they saw such a need for long-term financing in
17 the export finance sector.

18 So PEFCO still remains to this day to
19 play that role, to play that role of providing
20 liquidity and providing funding for long-term
21 export finance, supporting U.S. exports. And
22 there are still today private sector shareholders

1 of PEFCO, and they have their own board of
2 directors, et cetera. So the private sector
3 definitely has a role in how PEFCO is used, and
4 they work together with EXIM Bank to make sure
5 that PEFCO fulfills its own role of providing
6 this financing while not competing with the rest
7 of the private sector.

8 CHAIRMAN REED: And obviously they are
9 doing things that are important to the U.S. jobs
10 in this country. I know you and others here work
11 so hard on our annual competitiveness report, and
12 we have gone now, when I was first a nominee in
13 2017, we had 90-some foreign export agencies
14 trying to take our supply chain, and now we're up
15 to 113. Can you tell me a little bit about how
16 PEFCO, if we would approve this, would further
17 the mission that Congress has set out for us to
18 be competitive, but also the mission of
19 supporting U.S. jobs? And anything else you can
20 say about jobs in general, and if we did not have
21 PEFCO, what would happen to the workers in our
22 country who really want to be able to compete on

1 a level playing field around the world?

2 MS. ROBERTS: So while when it was
3 created, PEFCO was the only entity of its kind.
4 Now there are other countries that have a PEFCO-
5 like entity as part of their wider export credit
6 agencies in their government. So this is
7 normally seen a lot in Europe with the European
8 ECAs, and they use their PEFCO-like entities to
9 do direct lending.

10 So even though PEFCO originally was
11 kind of in a league of its own, it is no longer.
12 And there are several foreign credit agencies
13 that would like to use PEFCO because PEFCO gets
14 the most efficient U.S. dollar funding for export
15 credits. So the fact that EXIM is the only ECA
16 that can currently work with PEFCO and that we
17 work with them so that they can provide the most
18 efficient source of funds, which is through the
19 capital markets, for export credits is a very
20 valuable tool and a very valuable relationship.
21 And it gives us a competitive edge versus our
22 other export credit agencies around the world.

1 CHAIRMAN REED: If we would approve
2 this, what risk would we present to the U.S.
3 taxpayer, if anything?

4 MS. HERMAN: So PEFCO has a very good
5 track record on this. We have had no claims, no
6 issues. It's performing properly.

7 CHAIRMAN REED: Can you again state for
8 the record how many potential jobs and
9 applications for us to help our U.S. workers and
10 manufacturers do good things, while the board did
11 not exist, how many billions of dollars
12 approximately did we see go to other countries to
13 give their workers success?

14 MS. HERMAN: I don't know have that
15 answer right now.

16 CHAIRMAN REED: So do we have someone
17 that can speak to that, please?

18 MR. SENA: Good morning.

19 CHAIRMAN REED: Good morning.

20 MR. SENA: David Sena for OBAF. For
21 the past two years, we were tracking lost deals,
22 lost deals to American manufacturers, and it was

1 north of \$12 million of deals that were lost to
2 U.S. manufacturers when EXIM Bank was not in
3 business due to lack of a board.

4 CHAIRMAN REED: And I just want to
5 underscore, in my many conversations with members
6 of Congress, they like to see public-private
7 partnerships, and our President likes to see that
8 as well. I think that's great. We really want
9 to help the private sector do what it should do,
10 not even help just see that it is flourishing,
11 but in the reality of the world we live in today,
12 which is not a perfect world, we want to do all
13 we can to uphold the law, but also ensure that
14 our workers are selling their made in the USA
15 products around the world versus competing
16 countries.

17 It's more and more competitive. We
18 saw in your competitiveness report two years ago
19 how China is using their export credit agencies
20 as weapons, and we're seeing that with more and
21 more foreign export credit agencies as well. So
22 with that, I just want to say thank you for your

1 great work. I know PEFCO was created in 1971,
2 and I've had conversations with them and believe
3 that this is a good thing for our workers and the
4 mission of supporting them and the U.S. exports.

5 With that, I would like to now call
6 this item for a vote. Director Pryor?

7 DIRECTOR PRYOR: I vote aye.

8 CHAIRMAN REED: Director Bachus?

9 DIRECTOR BACHUS: I vote aye.

10 CHAIRMAN REED: I vote aye. No. 1 is
11 approved. Thank you. May I have a motion to now
12 consider Item No. 2 on the agenda?

13 DIRECTOR PRYOR: Motion to consider
14 Item No. 2, the small business update.

15 CHAIRMAN REED: Is there a second?

16 DIRECTOR BACHUS: I second the motion.

17 CHAIRMAN REED: Thank you. Tamara
18 Maxwell and Stephen Renna, please present Item
19 No. 2.

20 MS. MAXWELL: Good morning.

21 CHAIRMAN REED: Good morning.

22 MS. MAXWELL: Hi. Stephen's not here

1 today, so I will be presenting alone. As you
2 said, my name is Tamara Maxwell. I'm the
3 Director of Minority and Women Owned Business,
4 and I'm here today to talk to you about the
5 Minority and Women Owned Business update, as well
6 as the client care unit, which is a newly-
7 established unit that reports directly to me.

8 But before I jump in, I want to just
9 say thank you, Chairman Reed. When you first
10 came, one of the things that you did was you set
11 up meetings with women business owners to talk to
12 them to get their perspective on what we could be
13 doing at EXIM Bank better for Women Owned
14 Business, and you made sure that I was included
15 in that meeting. So I really appreciate that.
16 That showed me from the beginning that minority
17 and women owned businesses was very important to
18 you, and it gave myself and my team renewed
19 energy to go out and do what we do every day. So
20 I appreciate that, thank you.

21 The Minority and Women Owned Business
22 was established here at EXIM Bank in 1999. It

1 was established as a one-person shop, which was
2 myself. Since then we have grown, and so now
3 there's a team of five, including myself, that
4 focuses strictly on minority and women owned
5 businesses. Over the past 10 years, we've been
6 able to help businesses export over to 166
7 countries. Recently, in FY18, we supported 625
8 transactions, with a total of \$454 million in
9 exports. Over the past 10 years, we have
10 assisted minority and women owned businesses in
11 48 states and two territories, which is Puerto
12 Rico and D.C. Now the two states that we have
13 not been able to have a minority or women owned
14 business is West Virginia and Alaska.

15 Now I know that's not what you want to
16 hear. It's definitely not what you want to hear.
17 We are going to change that. I guarantee you
18 that by this time next year, we will have at
19 least a woman owned business or a minority owned
20 business. One of the things that we're doing to
21 change that is we did a road show in West
22 Virginia in 2016, so through our rep, we're going

1 to do a road show again. As well as we've
2 started reaching out to minority and women owned
3 business organizations in West Virginia. So have
4 me back next year and I can give you a different
5 story.

6 CHAIRMAN REED: Only if there's a need.

7 MS. MAXWELL: So as I said, I have a
8 team of five dedicated specialists who work
9 solely with minority and women owned businesses,
10 and we do that by partnering with minority and
11 women owned business organizations. When you're
12 dealing with minority and women owned business
13 companies, it's about building relationships, so
14 we partner with the organizations, we attend
15 their conferences, we educate the businesses, as
16 well as the organizations about who we are and
17 what we do.

18 And not only do we talk to them about
19 EXIM Bank products and programs, but we also talk
20 to them about contracting and procurement,
21 because that's what most of these conferences
22 are. So we are a one-stop shop when it comes to

1 minority and women owned businesses for EXIM.

2 Our five-year target is to double the
3 number of transactions that we currently are
4 doing this year, which would bring us to roughly
5 about 1,300 transactions. We plan to do this
6 with doing more in digital marketing. So now
7 that the digital marketing piece will be coming
8 back to the Small Business Office, Jim has
9 assured me that this time around, there will be
10 someone who specializes in minority and women
11 owned businesses.

12 When we're talking about digital
13 marketing, it's very critical that we use all
14 platforms to be able to reach minority and women
15 owned businesses. We also will be doing more
16 with inter-agency collaboration. So one of the
17 biggest agencies that we collaborate with right
18 now is the Minority Business Development Agency.
19 Currently we have a MOU in-house in legal waiting
20 for approval. This MOU is very important,
21 because with the MOU, we will start to data share
22 with MBDA, just like we're doing with Department

1 of Commerce, so our sales force will talk to
2 their sales force.

3 With that, it will help us with the
4 data quality, because right now we have it on the
5 application whether a company is minority or
6 women owned, but it's not required for them to
7 answer that question. MBDA, it is required, so
8 once we do data share, it will be answered for
9 us, so it will help us with some of our data
10 quality.

11 The other good reason that we partner
12 with MBDA is they have over 33 centers throughout
13 the U.S., but four of those centers focus
14 strictly on exports and they have nothing but
15 export goals. I have aligned my team with the
16 way that they're aligned. So those four centers
17 are focused on territory. There's one center in
18 Chicago that they focus on Africa and the Middle
19 East. So I have someone on my team where they're
20 responsible for not only understanding EXIM Bank
21 programs, but understanding Africa as well, so
22 they can help those businesses that are exporting

1 to Africa.

2 So it also works on EXIM's Sub-Saharan
3 Africa Initiative, as well as the President's
4 Prosper Africa Initiative. So we're covering all
5 bases in the Minority and Women Owned Business
6 Division. We also are working on divisional
7 alignment. So Tomeka Wray is the Director of
8 Small Business Operations.

9 Her and I are putting a team together
10 to work on the data quality so that we can make
11 sure that everything that goes into our system,
12 meaning the CRM system, which then will help with
13 the EXIM Online system, make sure that all of the
14 data for not just Minority and Women Owned
15 Business, but some of the other data is accurate
16 as well. We are also working on on-demand portal
17 training, on-demand training with portal. Tomeka
18 is working on that.

19 That portal will assist my team so
20 that we can send out the training to them and not
21 spend, you know, 30-40 minutes on the phone with
22 each customer. Let them have the training first,

1 and then we can talk to them on the phone and
2 educate them. So the Minority and Women Owned
3 Business Team will continue to address any issue
4 that we see that come up for minority and women
5 owned businesses so that we can move the number
6 of the companies that are here.

7 So the next piece that I'll talk about
8 is the client care. So the client care unit was
9 established in 2018, and the reason that we
10 created this division was to decrease the number
11 of under-utilized and unutilized export credit
12 insurance policies, as well as to try to partner
13 each policyholder with a broker. So what we do
14 is we contact companies that have not shipped in
15 the last six months, and when we contact them, we
16 get to the nitty-gritty of why they haven't
17 shipped. Some of them start shipping right away
18 because what we've found is that they're
19 shipping, but they're just not reporting that
20 they're shipping. And some of them take a little
21 longer for us to figure out how to educate them.

22 So we educate them, like if they have

1 a buyer and then that buyer decides that they're
2 not shipping anymore, so now they have the policy
3 and they don't have a buyer. So we then start
4 talking to them about Department of Commerce and
5 Commercial Service and how they can help them
6 find new buyers, how they can help them enter new
7 markets. We also talk to them about the state
8 programs that are available for them, as well as
9 we educate them on how to utilize their policy
10 and use it as a marketing tool.

11 So it's not just about EXIM; it's
12 about how to grow that business globally so that
13 we can keep them here at EXIM Bank and work on
14 EXIM's retention goal as well. So everything
15 that we do in my team, we look at what the
16 strategic goals are for the bank, and every year
17 I evaluate that and then I try to structure the
18 team so that we're working on those strategic
19 goals.

20 So what is my ask of you today? So as
21 I said, I've been with the Minority and Women
22 Owned Business since it started in 1999. So

1 since I've been here, I have always tried to get
2 EXIM to create a product or a program
3 specifically for minority and women owned
4 businesses. We've never been able to do that.
5 So I ask that this board work with me to create a
6 product for minority and women owned businesses
7 so that it can stay once you guys move on to your
8 next position.

9 And that will be something that you
10 can stamp and say we did this at EXIM Bank. So I
11 have plenty of ideas. We can talk about that,
12 but that's the first thing. The second thing is
13 work to create a dedicated underwriting team to
14 assist minority and women owned businesses. I
15 say that because when you're working with
16 minority and women owned businesses, a lot of
17 times not just them, but small businesses have an
18 issue with access to capital, but especially
19 minority and women owned businesses. And so when
20 you have an issue with access to capital, it
21 makes it so they have to finance their businesses
22 in other ways, via their credit cards, high

1 interest loans, family.

2 So what happens is their financials
3 don't look the same as other companies who have
4 the ability to get the capital. But it doesn't
5 mean that that company's not a good company and
6 cannot perform the duty of supplying the exports.
7 But if you have a team that is used to looking at
8 applications where their financials don't look
9 the same, then they will get comfortable and used
10 to seeing those applications.

11 Not saying that we have to change our
12 credit standards, but it's very similar to when
13 you have healthcare, you have transportation.
14 The industries are different, so their financials
15 look different. It's the same with minority and
16 women owned businesses.

17 And then my last request is continued
18 support from the board to deliver the MWOB
19 message internally and externally. I would
20 emphasize externally. We attend minority and
21 women owned business conferences at least two to
22 three times a month. What I would ask is that we

1 now have some of our board members to attend, to
2 speak, to represent EXIM. My team and I, we have
3 done a great job of building the relationships
4 within these organizations. We want them to know
5 that it's not just us; it comes from the top as
6 well. And that means to have you guys there.

7 So with that, I thank you for your
8 time. I really appreciate this. This is the
9 first time, just like Nathalie said, that MWOB
10 has ever been able to speak to the board, so I do
11 appreciate it. Thank you.

12 CHAIRMAN REED: Thank you so much.
13 Director Pryor, any comments?

14 DIRECTOR PRYOR: Thank you, Tammy.
15 We've met, and as you know, and I'm sure Kimberly
16 agrees and I'm sure Spencer probably agrees as
17 well, we want to support you in any way possible,
18 both externally and here in the bank. So thank
19 you for the asks. And I'm sure we will have
20 further discussion about those and circle back
21 around. And I'm glad that you have a team in
22 place now that's been expanded just recently, I

1 think, because when we met three, four months
2 ago, you didn't quite have the staff.

3 MS. MAXWELL: The client care unit has
4 just been brought on board, so yes.

5 DIRECTOR PRYOR: Good. Thank you very
6 much for your presentation, and I'm happy to
7 support in any way that I can.

8 MS. MAXWELL: Thank you.

9 CHAIRMAN REED: Director Bachus.

10 DIRECTOR BACHUS: Thank you. I'll
11 compliment you on your presentation.

12 MS. MAXWELL: Thank you.

13 DIRECTOR BACHUS: It was very well
14 done. Some of the information that you brought,
15 266 countries, I think you said?

16 MS. MAXWELL: 166.

17 DIRECTOR BACHUS: 166, okay. Some of
18 that information I don't have. And it's probably
19 been delivered to me, but it's probably in a
20 stack someplace. I'd like maybe some more
21 information. I look forward to working with you.
22 I did, in my trips to Iowa and Florida, I did

1 visit women owned businesses who are customers of
2 ours. But when I do, I'm traveling to different
3 states, and I think I need to network better with
4 you on maybe your suggestions on some people to
5 visit while we're there.

6 MS. MAXWELL: Okay. I can definitely
7 do that. I'll keep you busy.

8 DIRECTOR BACHUS: Thank you.

9 CHAIRMAN REED: Thank you so much.
10 It's been a pleasure working with you for the
11 past five months and one day since we were sworn
12 in. And I just want to commend you and your team
13 for what you're doing. I want to commend Jim
14 Burrows and our Small Business Division here at
15 the bank for what you're doing. We hear loud and
16 clear from the Hill, particularly Senator Shelby
17 from Alabama, how important what EXIM does with
18 our mission to support small business. And women
19 and minority owned business is an important
20 component of that, the small business component.

21 I also would love to see more women
22 and minority owned large business that go beyond

1 the definition of we are required by law to
2 follow the Small Business Administration's
3 definition of small business. But can you speak
4 to anything that we're seeing beyond small
5 business, because we want to support all the
6 workers in our country?

7 MS. MAXWELL: So the conferences that
8 we go to, it's not just small business. There
9 are a large number of large businesses or non-
10 small businesses that are exporting. A lot of
11 them are exporting indirectly, so trying to get
12 the message across to them. The biggest thing
13 that we hear now is that, you know, having EXIM
14 around for a long time. So I think with the
15 reauthorization, it's going to change how the
16 businesses view EXIM.

17 They want to do business with us, but
18 quite honestly they're scared. They don't know
19 if it's going to be around to be able to continue
20 to support them. So they look at other avenues
21 versus coming to EXIM. One, they think that it's
22 -- for us to try to get the message across to

1 them, that it's not as cumbersome as you think it
2 is. And then having them come to the bank to
3 utilize the bank. A lot of them use other
4 avenues other than EXIM Bank. And what we saw
5 was a huge drop in minority and women owned
6 businesses when we down in '15.

7 CHAIRMAN REED: So I had the pleasure
8 of visiting small businesses across the country,
9 and seeing one example of EXIM support makes a
10 small business do great things by being able to
11 export its goods and services abroad and actually
12 increases the employment in the county. That's
13 like the leading employer in a certain small
14 town. And if we're not there, that's a travesty
15 not only for the business, but for the whole
16 community. And so we want to be supportive where
17 we are the lender of last resort, be it through
18 direct lending or guaranteeing loans that we have
19 community banks and others provide to our small
20 businesses that want to export or learn to
21 export.

22 Last week I was in Houston at a

1 Department of Commerce annual conference with a
2 group of 400, and then we went to a smaller
3 breakout session with 75 fantastic women business
4 owners and leaders. And they really were
5 thrilled to learn about the resource that we can
6 provide. There are so many programs in our
7 government, but we provide a very targeted tool
8 in the trade toolbox. We don't want to be there
9 if we're not needed, but if we can help these
10 women and minority owned businesses export,
11 create jobs in the community and do good, right
12 now Congress has set a goal for us and what
13 you're doing and what your team is doing is so
14 important for us to be there to help meet those
15 legislative goals.

16 I know that Ivanka Trump also is
17 spearheading a key effort in this Administration
18 on women not only in the United States, but also
19 around the world. Can you speak to how we have
20 not done something with her yet, and it will be a
21 goal of ours to be sure that we help women around
22 the world who want to buy goods and services from

1 women and minority owned businesses in this
2 country learn about us. But can you speak a
3 little bit to what you're seeing globally as far
4 as where these goods and services are going with
5 women on the receiving end?

6 MS. MAXWELL: So there's an
7 organization called WEConnect. WEConnect is a
8 part of Women's Business Enterprise National
9 Council. It's a spinoff of that. And what
10 WEConnect does is they connect women businesses
11 here with women businesses throughout the world.
12 The WE Bank certifies women business owners, so
13 what they've done is they create what they call
14 WE Banks in other countries so that they can have
15 conferences and events where women businesses can
16 work with other women businesses, and they all
17 have to be certified.

18 And it's probably one of our best
19 events that we go to, just to be quite honest.
20 When you're working with women and you talk to
21 them, they seem to get it and they move really
22 quickly on when we talk to them about EXIM Bank.

1 And it's funny that you talk about what Ivanka
2 Trump is doing, because I have been in
3 communications with Ana Guevara, who is over at
4 Department of Commerce, who is working on
5 connecting EXIM Bank, Commerce, SBA and WEConnect
6 to work on putting events together that will fall
7 in line with what Ivanka Trump is doing.

8 So definitely want to make sure that
9 you're in communication and a part of everything
10 we're looking at as far as that's concerned. But
11 what we see is that women businesses are
12 definitely growing, and that's where most of our
13 success comes from.

14 CHAIRMAN REED: I know that our bank,
15 we charge interest and fees. We give millions of
16 dollars to the Treasury that didn't exist before.
17 We have a 0.5 percent default rate, which the
18 private sector says is outstanding. And we're a
19 self-sustaining agency when we're fully
20 operational, so supporting U.S. jobs is our
21 mission. We give money to the Treasury, but that
22 0.5 percent default rate and protecting the

1 taxpayer is very important to me.

2 I know that when we do the larger
3 deals, the default rate is less, and when we help
4 support the small businesses that are just
5 beginning, sometimes that default rate can be a
6 little bit larger, but giving us this average,
7 that's excellent. Can you talk to us about what
8 else we can be doing, not only to help women and
9 minority small business owners, but also be sure
10 that we are protecting the taxpayer? Anything
11 you want to say on the default rate and other
12 things that we should be thinking about as we
13 look at your three suggestions?

14 MS. MAXWELL: I really haven't looked
15 at the default rate for minority and women owned
16 businesses. One of the things that I know would
17 definitely help is, as I said, you know, access
18 to capital is a big issue. We had a program
19 before that was called GCE that worked on doing
20 the small transactions. Minority and women owned
21 businesses, they don't need \$1 million. They
22 don't even need \$500,000. They need very small

1 amounts, \$250,000, sometimes even less. So
2 finding a solution to be able to assist in that
3 particular area is where I think the bank really
4 needs to be looking, not just for them, but for
5 small businesses in general.

6 So Steve is our new VP for working
7 capital. Literally when he came into the office,
8 I kind of locked him in a room for about two
9 hours and I started going through different
10 things that I want him to work on. So access to
11 capital is the biggest.

12 CHAIRMAN REED: Just one final
13 question. Can you give an example for all of us
14 of how EXIM's program has helped a women or
15 minority owned business create extra jobs for
16 that company and help the community?

17 MS. MAXWELL: One story that I always
18 talk about, and it's a transaction that happened
19 quite a while ago. And I talk about it because
20 it embodies what minority and women owned
21 businesses do. There was a company that applied
22 for a medium term transaction here at the bank.

1 Financially, the company was not able to get
2 approved. So I encouraged them to partner with
3 another company, another minority company whose
4 financials were in good standings. So they
5 partnered together and the transaction was
6 approved probably about a year ago. Not a year
7 ago, but it probably took over a year for it to
8 be approved.

9 The second company had never done
10 anything in exporting before. This was the
11 first. Basically they were there to help the
12 first company be able to get approved. From
13 that, that second company started exporting and
14 opened up offices in five countries in Africa, as
15 well as built two additional offices here in the
16 States. The company that was not approved on its
17 own, this one transaction helped them become
18 financially stable. They opened up shop in two
19 other states here in the States, as well as they
20 took over the Brazil market in that industry.

21 CHAIRMAN REED: What industry?

22 MS. MAXWELL: Healthcare, medical

1 equipment and supplies. So to me, it's about not
2 giving up. It's about advising the company not
3 to give up and find other solutions, thinking
4 outside the box. And so now both companies are
5 very large companies and they're doing extremely
6 well. So that's what I consider a success story
7 that EXIM made happen.

8 CHAIRMAN REED: That's great. Well, we
9 thank you, I know. And Judith and I have had
10 very good discussions, and Spencer, on how much
11 you support this as well. But I just want to say
12 you are a wonderful shining example of what it
13 means to be a public servant to make a positive
14 difference not only for our country, but the
15 world. And we look forward to talking with you
16 about your three requests. And we are here to
17 follow the mission, and that's going to be
18 supporting all U.S. jobs that we can where we're
19 doing good things. So thank you so much.

20 MS. MAXWELL: Thank you.

21 CHAIRMAN REED: Okay. Thank you so
22 much. As this presentation was for information

1 only, no vote is required. And the open portion
2 of this meeting is now finished. Will the
3 members of the public please leave the room and
4 have a very happy Columbus Day. They have left
5 the room, okay. May I have a motion to close the
6 meeting?

7 DIRECTOR PRYOR: I move to close the
8 meeting.

9 CHAIRMAN REED: Is there a second?

10 DIRECTOR BACHUS: Second.

11 CHAIRMAN REED: All in favor say aye.

12 (Chorus of aye.)

13 CHAIRMAN REED: Opposed? The motion
14 carries.

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C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: Board Meeting

Before: Export-Import Bank of the United States

Date: 10-10-19

Place: Washington, DC

was duly recorded and accurately transcribed under
my direction; further, that said transcript is a
true and accurate record of the proceedings.

Neal R Gross

Court Reporter

NEAL R. GROSS
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1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701