



FY 2019

Congressional

Budget

Justification

Export-Import Bank of the United States FY2019 Congressional Budget Justification

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Executive Summary

EXIM Bank Overview

The Export-Import Bank of the United States (“EXIM”, “EXIM Bank”, or “the Bank”) is the official export credit agency of the United States. EXIM is an independent and self-sustaining Executive Branch agency that provides competitive export trade credit to overseas purchasers of U.S. exports to promote and support American jobs and grow the economy.

EXIM supports President Trump’s philosophy of linking economic security with national security. A fully functioning EXIM Bank can assist the U.S. in leveling the global playing field for American business when they compete against foreign companies who receive the support of their national export trade credit agencies. EXIM also supports the U.S. economy by filling in trade financing gaps when private sector lenders are unable or unwilling to provide financing necessary to U.S. exporters competing in under-developed regions of the world.

In addition to EXIM’s mission to enable U.S. exports, the Bank has also aided the American taxpayer through the reduction of U.S. debt. As a self-financing Agency, the Bank has managed its operational costs and financing risks to provide more than \$5.2 billion for the U.S. Treasury over the last 10 years. During this period, EXIM completed \$197 billion in trade credit financings that supported an estimated 1.6 million American jobs.

EXIM also contributes to U.S. economic growth through the support of thousands of small and medium enterprises (SMEs) around the country. In FY 2017, more than 90 percent of EXIM’s transactions supported small businesses, and EXIM’s trade credit support is critical to SMEs that have found niches in competitive U.S. markets and need financing support to take their American-made products overseas due to a lack of private sector financing options. EXIM financing is also integral to both U.S. entrepreneurs who have aspirations of selling their products globally and well-established U.S. businesses that are ready to take on the risk of selling products in emerging and frontier markets, but cannot secure export financing without EXIM’s assistance.

EXIM can play an important role in the U.S. government’s efforts to support American jobs, maintain the vitality of critical industry sectors in the U.S., and thwart the movement of manufacturing production overseas.

EXIM Bank’s strategic goals for 2018 - 2022

1. Return the Bank to full operational capacity and regain the long-term confidence of large U.S. exporters to increase American manufacturing production in the years ahead;
2. Quadruple the number of U.S. small and medium sized enterprises (SMEs) supported by EXIM; and
3. Prepare EXIM for the dynamic business evolution of export trade credit
 - a. Develop the talent and capabilities needed inside EXIM;
 - b. Transform the business culture of EXIM;
 - c. Adapt to data-centric work processes and new technologies; and
 - d. Focus on the delivery of a great customer experience.

EXIM Bank's Key Mandates

The Charter of the Export-Import Bank of the United States (as amended, most recently by Public Law 114-94) defines the Bank's mandates, including:

1. **Level the Playing Field** – EXIM provides financing when it is necessary due to financing provided by foreign governments to their exporters that are in competition for export sales with U.S. exporters.¹
2. **Fill in Gaps** – EXIM provides financing in cases where the private sector is unable or unwilling to provide financing.²
3. **The Small-Business Mandate** – the charter states that not less than 25 percent of the aggregate loan, guarantee, and insurance authority available to the Bank should be made available to finance exports directly by small-business concerns.³
4. **The Sub-Saharan Africa Mandate** – the charter directs the Board of Directors of the Bank to take measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank's financial commitments in Sub-Saharan Africa under the loan, guarantee, and insurance programs of the Bank.⁴
5. **Environmentally Beneficial Goods and Services Mandate** – the 2015 charter states that the Bank shall encourage the use of its programs to support the export of goods and services that have beneficial effects on the environment or mitigate potential adverse environmental effects. The Bank shall also promote the export of goods and services related to renewable energy sources.⁵

FY2019 Budget Request Overview

The President's Budget requests \$90.0 million for EXIM Bank administrative expenses in FY 2019. Since 2000, EXIM Bank has provided \$14.6 billion to the U.S. Treasury after paying for all of its administrative and program expenses. The FY 2019 Congressional Budget Justification (CBJ) reflects EXIM Bank's mission of supporting U.S. jobs through exports. The FY 2019 Budget Request will also provide EXIM Bank with the resources necessary to meet forecasted demand for U.S. export financing in FY 2019.

Key estimates for FY 2019 include:

- The FY 2019 Budget Request supports an estimated \$16.6 billion in new authorizations, with an estimated export value of \$22.4 billion supporting approximately 148,500 U.S. jobs.
- The FY 2019 Budget Request supports an estimated \$5.0 billion in small business authorizations.

¹ Charter Section 2(b)(1)(A)

² Charter Section 2(b)(1)(B)

³ Charter Section 2(b)(1)(E)

⁴ Charter Section 2(b)(9)

⁵ Charter Section 2(b)(1)(K)

Budget Request

The FY 2019 Budget Request provides \$90.0 million for administrative expenses, which is a reduction of 17.7 percent from the annualized continuing resolution (CR) level in FY 2018 of \$109.3 million.⁶ The Budget Request of \$4.8 million for the Office of Inspector General is a reduction of 15.8 percent from the annualized CR level of \$5.7 million. The FY 2019 Budget Request for carryover is reduced to zero from \$10.0 million in the FY 2018 annualized CR level.

Below are the individual line items that comprise the FY 2019 Budget Request.

EXIM Bank and OIG Administrative Expenses (USD millions)			
Obligation	FY 2017 Actual	FY 2018 CR Level	FY 2019 Request
Personnel Compensation	48	48	43
Personnel Benefits	19	19	16
Travel and Transportation of Persons	2	2	2
Rental Payments for Space	9	9	7
Communication and Utilities	6	6	5
Other Services	12	11	8
Supplies and Materials	1	1	1
Software and Equipment	13	13	8
Total	110	109	90
Office of Inspector General	6	6	5

Reductions

The reduction in the administrative expenses request is consistent with Presidential Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch of March 13, 2017 which is intended to improve the efficiency, effectiveness, and accountability of the executive branch. To prepare for this reduced level of funding, EXIM Bank implemented a hiring freeze in FY 2017 as personnel compensation and benefits account for approximately 70 percent of the annual budget. The Budget Request will reduce the agency's staffing by 10 percent to 380 FTEs in FY 2019 from 424 FTEs in FY 2017.

The Budget Request also cancels \$10.0 million in carryover funds from prior appropriations and cancels \$13.4 million in the Tied Aid War Chest.

⁶ Per guidance from the Office of Management and Budget (OMB), the annualized continuing resolution level comes from Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (P.L. 115-56). This continuing resolution lowered the rate for operations provided by 0.6791 percent. Thus, EXIM Bank's administrative expenses level went from the FY 2017 appropriated level of \$110.0 million to \$109.3 million.

Scoring

EXIM Bank collects exposure fees and interest income from EXIM Bank's credit program customers. From these fees, EXIM Bank first sets aside funds to cover the costs of its credit programs, consistent with the prudent reserve requirements of the Federal Credit Reform Act (FCRA). The remaining fees are classified as offsetting collections. EXIM Bank uses these offsetting collections to cover operations, as authorized in EXIM Bank's annual appropriations language. After paying for operating expenses, the remaining offsetting collections are classified as negative subsidy. EXIM Bank is required to send this negative subsidy to the U.S. Treasury at the end of each fiscal year. Since 2000, EXIM Bank has generated \$14.6 billion to the U.S. Treasury after paying for all of its administrative and program costs.

The revenue estimates below assume a EXIM Bank's board quorum for the Bank by March 2018⁷, EXIM Bank is expected to collect \$704.4 million in fees in excess of expected losses in FY 2019. EXIM Bank would classify \$90.0 million as offsetting collections to cover operating expenses and the remainder as negative subsidy. In FY 2019, EXIM Bank would remain a self-financing agency while sending an estimated \$614.4 million to the U.S. Treasury.

EXIM Bank's Financial Activity (USD millions)			
	FY 2017 Actual	FY 2018 CR Level	FY 2019 Request
Revenue			
Offsetting Collections	(118.4)	(119.3)	(90.0)
Negative Subsidy	0.0	(223.0)	(614.4)
Total Revenue	(118.4)	(342.3)	(704.4)
Expenses			
Administrative Expenses	110.7	109.3	90.0
Subsidy Expenses	0.0	0.0	0.0
Carryover	7.7	10.0	0.0
Total Expenses	118.4	119.3	90.0
Summary			
Negative Subsidy	0.0	(223.0)	(614.4)
Tied Aid Cancellation	0.0	0.0	(13.4)
Carryover Cancellation	0.0	0.0	(10.0)
Inspector General	5.7	5.7	4.8
Net Appropriation	5.7	(217.3)	(633.0)

⁷ If the restoration of a Board quorum occurred later in year, financing transactions in the pipeline (\$37 billion as of January 31, 2018) may be delayed as well as their corresponding offsetting collections.

Authorizations

Product Overview

EXIM Bank products facilitate support for U.S. exports through four major programs: loan guarantees, direct loans, export credit insurance, and working capital guarantees. For the approval of medium- and long-term (MLT) transactions greater than \$10 million, EXIM's charter requires the affirmative action of its Board of Directors when represented by a quorum.

- **Loan Guarantee Program:** EXIM Bank loan guarantees cover the repayment risks on the foreign buyer's debt obligations incurred to purchase U.S. exports. EXIM Bank guarantees to a commercial lender that, in the event of a payment default by the borrower, it will pay to the lender the outstanding principal and interest on the loan. EXIM Bank's comprehensive guarantee covers commercial and political risks for up to 85 percent of the U.S. contract value.
- **Direct Loan Program:** EXIM Bank offers fixed-rate loans directly to foreign buyers of U.S. goods and services. EXIM Bank extends to a company's foreign customer a fixed-rate loan covering up to 85 percent of the U.S. contract value. The Bank's direct loans generally carry fixed-interest rate terms under the Arrangement on Guidelines for Officially Supported Export Credits (the Arrangement) negotiated among members of the Organisation for Economic Co-operation and Development (OECD).

Loans and guarantees extended under the medium-term loan program typically have repayment terms of one to seven years, while loans and guarantees extended under the long-term loan program usually have repayment terms in excess of seven years. Short-term financing consists of all transactions with terms of less than one year.

- **Export Credit Insurance:** EXIM Bank's Export Credit Insurance Program supports U.S. exporters selling goods overseas by protecting the businesses against the risk of foreign buyer or other foreign debtor default for political or commercial reasons.

This risk protection permits exporters to extend credit to their international customers where otherwise not possible. Insurance policies may apply to shipments to one buyer or many buyers, insure comprehensive credit risks (including both commercial and political) or only political risks, offer either short-term or medium-term coverage, and exist primarily as U.S. dollar transactions, with no foreign currency risk.

- **Working Capital Guarantee Program:** EXIM Bank's Working Capital Guarantee program provides repayment guarantees to lenders on secured, short-term working capital loans made to qualified exporters. The working capital guarantee may be approved for a single loan or a revolving line of credit.

Authorization Forecast

EXIM Bank derives its authorization forecasts from a pipeline of transactions that are expected to occur during that fiscal year, along with business unit level forecasts conducted by each division. Forecasts are updated on an ad hoc basis based upon new transactions entering the pipeline. EXIM Bank is also in frequent contact with its customer base regarding its long-term transaction portfolio (Transportation and Structured Finance). EXIM Bank is able to view its authorization pipeline years in advance, in order to better estimate its future potential authorizations. The projections below detail authorizations by each underwriting division and assume the restoration of a Board quorum by March 2018.

Authorization Forecasts (USD Millions)		
EXIM Bank Office	FY 2018	FY 2019
Board Authorized Financing Group		
Project Finance	7,279	1,635
Global Infrastructure	1,295	1,246
Transportation	5,000	8,653
Subtotal	13,574	11,534
Small Business Financing Group		
Medium-Term Guarantees	292	374
Medium-Term Insurance	108	126
Multi-Buyer Insurance	4,250	2,800
Single-Buyer Insurance	300	240
Working Capital	1,500	1,500
Subtotal	6,450	5,040
Total	20,024	16,574

Exposure

EXIM Bank's exposure is derived from two primary sources: new authorizations and repayments of approved authorizations. EXIM Bank develops exposure forecasts by estimating the approval of new authorizations combined with the reduction of exposure due to the expected repayments of transactions and cancellations. The difference between the authorizations and repayments gives the change in exposure during the fiscal year. Below is the summary of EXIM Bank exposure through FY 2019.

Exposure Analysis (USD billions)							
	FY13	FY14	FY15	FY16	FY17	FY18 est	FY19 est
Exposure (Beginning of Year)	106.6	113.8	112.0	102.2	87.3	72.5	78.9
Repayments/ Prepayments/ Cancellations	(20.1)	(22.3)	(22.2)	(19.9)	(18.2)	(13.6)	(12.7)
New Authorizations	27.3	20.5	12.4	5.0	3.4	20.0	16.6
Exposure (End of Year)	113.8	112.0	102.2	87.3	72.5	78.9	82.8

FY 2017 Results**FY 2017 Total Authorizations**

In FY 2017, EXIM lacked a quorum of its Board of Directors and was unable to approve loans over \$10 million. During the fiscal year that ended September 30, 2017, EXIM Bank authorized \$3.4 billion of loan guarantees, insurance, and direct loans in support of an estimated \$7.4 billion of U.S. export sales which supported an estimated 40,000 U.S. jobs.

2017 Authorizations (millions)		
	Authorized	As a percent of total
Long-Term		
Loans	0.0	0.0%
Guarantees	2.6	0.1%
Subtotal, Long-Term	2.6	0.1%
Medium-Term		
Loans	0.0	0.0%
Guarantees	119.5	3.5%
Insurance	50.0	1.5%
Subtotal, Medium-Term	169.5	4.9%
Short-Term		
Loans	5.6	0.2%
Guarantees	839.0	24.4%
Insurance	2,414.3	70.5%
Subtotal, Short-Term	3,258.9	95.0%
Total Authorizations	3,431.0	100.0%

FY 2017 Small Business Authorizations

The 2015 reauthorization act states that not less than 25 percent of the aggregate loan, guarantee, and insurance authority available to the Bank should be made available to finance exports directly by small business concerns. Small business authorizations in FY 2017 totaled \$2.2 billion, representing 63.5 percent of total authorizations. In FY 2017, more than 2,200 transactions were authorized for the direct benefit of small business exporters, which amounted to 91.0 percent of total transactions.

FY 2017 Sub-Saharan Africa Authorizations

EXIM Bank provides U.S. exporters with the financing tools they need to successfully compete for business in Africa. EXIM Bank's products and initiatives help U.S. exporters in all regions of Africa, including high-risk and emerging markets. Pursuant to its Charter, EXIM Bank's Sub-Saharan Africa Advisory Committee advises the Board of Directors on the development and implementation of policies and programs designed to support those products and initiatives.

Sub-Saharan Africa authorizations represented 96 transactions, or 3.9 percent, of EXIM's transactional total in FY 2017. The dollar amount of authorizations represented 1.1 percent of total authorizations, or \$38.2 million in FY 2017.

FY 2017 Environmentally Beneficial Authorizations

EXIM Bank's financing helps mitigate risk for U.S. companies that offer environmentally beneficial goods and services and also offers competitive financing terms to international buyers for the purchase of these U.S. goods and services. EXIM Bank has an active portfolio that includes financing for U.S. exports of:

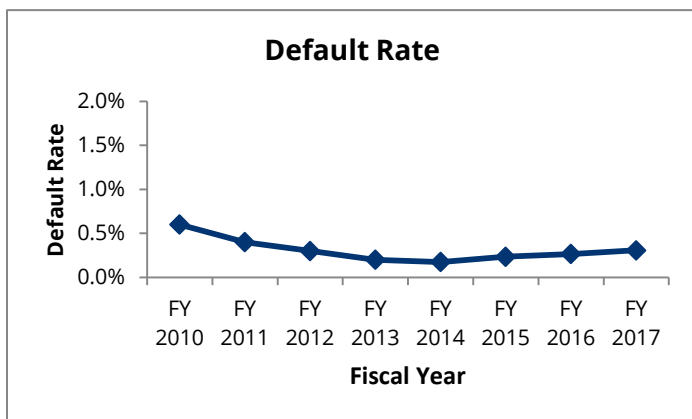
- Renewable-energy equipment
- Wastewater treatment projects
- Air-pollution technologies
- Waste-management services
- Other various environmental goods and services

In FY 2017, EXIM Bank authorizations of environmentally beneficial goods and services totaled \$98.3 million. Approximately 2.9 percent of the Bank's FY 2017 authorizations supported environmentally beneficial goods. EXIM Bank's total number of renewable-energy authorizations, a subset of the Bank's environmentally beneficial authorizations, totaled 16 transactions in FY 2017. In FY 2017, EXIM Bank authorizations, which support U.S. renewable-energy exports and services totaled \$10.4 million.

Risk Management Oversight

While providing support to United States exporters is core to the mission of EXIM as an institution, an effective comprehensive risk management framework is a core, underlying requisite for the Bank to properly utilize its authority. EXIM Bank continues to conduct its prudent oversight and due diligence through its comprehensive risk management framework. This framework starts with effective underwriting to ensure a reasonable assurance of repayments.

More than 80 percent of EXIM Bank's portfolio is backed by some form of collateral or by a sovereign guarantee. EXIM Bank regularly updates stakeholders on its risk management practices and performance. For example, since June 2012, EXIM Bank has sent a quarterly report to Congress on the default rate for its financing. For the last six fiscal years (since FY2012), the default rate at EXIM has averaged 0.3 percent, and the table to the right highlights the consistency of the underwriting of the Bank since the end of the Financial Crisis in 2010.



The comprehensive risk management program includes detailed documentation to ensure EXIM Bank's rights are protected legally and the transaction does not violate U.S. government policy. Risk management continues after a transaction is approved with pro-active monitoring efforts to minimize defaults and pursue recoveries aggressively when appropriate. EXIM Bank's comprehensive risk management framework has a strong emphasis on continuous improvement which had led to the excellent performance with claims and defaults. EXIM Bank also engages in proper oversight and governance of EXIM Bank's portfolio, which includes the setting aside of adequate loan loss reserves for all transactions.

The Export-Import Bank Reform and Reauthorization Act of 2015 also added specific risk management functions under the Charter. To satisfy this mandate, EXIM Bank appointed a new Chief Risk Officer in August 2016, who reports directly to the President of EXIM Bank, and awaits formal approval from a quorum of the Board of Directors. The 2015 Charter also established a Risk Management Committee which is comprised of the Board (with the President and First Vice President of EXIM Bank serving as ex officio members). The Risk Management Committee has met quarterly since FY 2016 (Q1), and the Committee oversees the stress testing of the entire Bank portfolio and the monitoring of aggregate industry, geographic, and obligor exposure levels.

Reasonable Assurance of Repayment

EXIM Bank's Charter requires "reasonable assurance of repayment" for the transactions it authorizes. Underpinning the underwriting of individual transactions is the credit grading system in which loan classifications reflect the risk of default and credit losses. EXIM Bank determines its credit ratings beginning with an assessment of country risks, which is done through the interagency process known as the Interagency Country Risk Assessment System (ICRAS). This rating system is used for all U.S. government agencies and programs providing cross-border loans, guarantees, or insurance. The ICRAS process establishes two risk ratings for each country: a sovereign and a non-sovereign rating. These ratings – ranging from 1 to 11, with 11 being the riskiest – are used in determining estimated costs for each transaction and for determining EXIM Bank's cover policy.

EXIM Bank's ability to underwrite a transaction from a credit perspective is initially determined by the country rating. Given EXIM Bank's reasonable assurance of repayment mandate, EXIM Bank is open under all of its normal programs for markets rated up to 7, and for short-and medium-term transactions only for markets rated up to 8. EXIM Bank is not open in markets rated 9 through 11 unless the risks can be mitigated to EXIM Bank's satisfaction. EXIM Bank's credit assessment process varies primarily based on the term and amount of exposure.

MLT financing over \$10.0 million are approved by EXIM Bank's Board of Directors. Credits of \$30.0 million or more are reviewed through the National Advisory Committee process, where other federal agencies (the Office of Management and Budget, Department of Commerce, Department of the Treasury, Department of State, and the Office of the U.S. Trade Representative) are given the opportunity to provide comments to EXIM Bank's Board of Directors. Credits of \$100.0 million in value or more are notified to Congress for a 35-day comment period and must also be notified through the Federal Register for a 25-day comment period.

Default Rate

Pursuant to its Charter, EXIM Bank is mandated to report to Congress on a quarterly basis the current default rate on its active portfolio. On December 31, 2017 the reported default rate was 0.329 percent. This rate reflects a "total amount of required payments that are overdue" (claims paid on guarantees and insurance transactions plus loans past due) divided by a "total amount of financing involved" (disbursements). The default rate is the result of the Bank's few defaults coupled with effective portfolio management action on those credits that default. EXIM is required to maintain a default rate below two percent as stated in the 2015 reauthorization act.

Reserves

Consistent with the Federal Credit Reform Act of 1990 (FCRA), EXIM Bank has taken steps to ensure that it is properly reserved against default. EXIM Bank determines its allowance for loss each fiscal year by assessing the repayment risk of the credit, which includes both commercial and political risk factors, then calculating the loss reserve based on the percentage of loss associated with the risk level assigned to the credit. After the political and commercial risks of the transaction are assessed, the transaction is assigned a risk rating based on the standard ICRAS classification. A determinant of the risk rating is the sovereign-risk rating of the country where the obligor is located. Credit enhancements such as the availability of liens and offshore escrow accounts are taken into

consideration. The allowance for losses on this exposure is calculated using both EXIM Bank's own historical default and recovery rates in its cash flow models to calculate the amount that must be reserved for each transaction. In the event that losses exceed initial estimates, EXIM Bank would be able to draw additional funds from the U.S. Treasury to satisfy those claims.

A significant portion of the financial exposures underwritten by EXIM is collateralized by interest in the export collateral and/or are backstopped by sovereign guarantees. For example, the EXIM aircraft portfolio had an exposure of \$36 billion as of September 30, 2017 with a collateral value estimated at more than \$55.6 billion. At a lower exposure to collateral level, EXIM also receives security interests in assets such as turbines and trains for large power and oil & gas projects as well as the satellites in various space launch projects.

Additionally, the Export-Import Bank Reform and Reauthorization Act of 2015 included a new section that requires EXIM Bank to "build to and hold in reserve, to protect against future losses, an amount that is not less than 5 percent of the aggregate amount of disbursed and outstanding loans, guarantees, and insurance of the Bank." EXIM Bank and OMB worked to implement this requirement in FY 2017. Reserved Funds consist of the amounts held for a specific purpose in accordance with the reserve requirement as defined by the Reauthorization Act of 2015 (FY 2016). Per the reserve requirement effective in FY 2017, the Bank has set aside \$1,100.0 million funds to protect against future losses in addition to the total allowance of \$2,577.8 million reserved in accordance with FCRA. Therefore, EXIM has available reserves and allowance for losses totaling \$3,677.8 million (5.3 percent of the total outstanding balance of loans, guarantees and insurance) as of September 30, 2017. The Bank reviews the reserve levels in the financing accounts on an annual basis, to be compliant with the reserve requirement.

Asset Management

Following the underwriting phase of a transaction, EXIM Bank continuously manages and monitors the portfolio of credits after they have been approved, documented, and disbursed. The monitoring groups function independently of the credit underwriting divisions. EXIM Bank ensures that loans are monitored by individuals who are not part of, nor influenced by, anyone associated with the underwriting process. EXIM Bank's monitoring procedures include writing annual or semi-annual credit-rating reviews of obligors' debt service repayment capacity, taking into account all factors that directly impact ability and willingness to pay. These ongoing reviews strengthen staff's familiarity and working relationships with obligors and allow EXIM Bank to identify vulnerabilities in the credits. Consequently, the ability to develop and implement remediation action is strengthened, which ultimately has a positive impact on the quality of the portfolio.

The monitoring groups also identify any transactions warranting high-risk monitoring plans and notify EXIM Bank's senior management. Additionally, the information gained from portfolio monitoring is provided as critical feedback, which staff provides to the underwriting areas within EXIM Bank to be applied in the policy, analysis, and ultimate documentary structure of new financing requests.

Appropriations Language in the President's FY2019 Budget **Program Account**

The Export-Import Bank (the Bank) of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: Provided, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country, other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act, that has detonated a nuclear explosive after the date of the enactment of this Act.

Administrative Expenses

For administrative expenses to carry out the direct and guaranteed loan and insurance programs, including hire of passenger motor vehicles and services as authorized by section 3109 of title 5, United States Code, and not to exceed \$30,000 for official reception and representation expenses for members of the Board of Directors, not to exceed \$90,000,000, of which up to \$13,500,000 shall remain available until September 30, 2020: Provided, That the Export-Import Bank (the Bank) may accept, and use, payment or services provided by transaction participants for legal, financial, or technical services in connection with any transaction for which an application for a loan, guarantee or insurance commitment has been made: Provided further, That notwithstanding chapter 51, subchapter III of chapter 53, and section 5373 of title 5, United States Code, the Board of Directors of the Export-Import Bank of the United States may set an employee's rate of basic pay up to the rate for level III of the Executive Schedule, and this authority may be applied to no more than 35 employees at any point in time and shall remain in effect until September 30, 2019: Provided further, That the Bank shall charge fees for necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Bank, repossession or sale of pledged collateral or other assets acquired by the Bank in satisfaction of moneys owed the Bank, or the investigation or appraisal of any property, or the evaluation of the legal, financial, or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, or systems infrastructure directly supporting transactions: Provided further, That in addition to other funds appropriated for administrative expenses, such fees shall be credited to this account for such purposes, to remain available until expended.

Receipts Collected

Receipts collected pursuant to the Export-Import Bank Act of 1945, as amended, and the Federal Credit Reform Act of 1990, as amended, in an amount not to exceed the amount appropriated herein, shall be credited as offsetting collections to this account: Provided, That the sums herein appropriated from the General Fund shall be reduced on a dollar-for-dollar basis by such offsetting collections so as to result in a final fiscal year appropriation from the General Fund estimated at \$0.

Cancellation of Funds

Of the unobligated balances available under the heading "Export and Investment Assistance, Export-Import Bank of the United States, Subsidy Appropriation" for tied-aid grants from prior Acts making appropriations for the Department of State, foreign operations, and related programs, \$13,412,000 are hereby permanently cancelled: Provided further, Of the unobligated balances available under the heading "Export and Investment Assistance, Export-Import Bank of the United States" for carryover under the heading "Receipts Collected" from prior Acts making appropriations for the Department of State, foreign operations, and related programs, \$10,000,000 are hereby permanently cancelled.