



FY 2020

**Congressional
Budget
Justification**

Export-Import Bank of the United States

FY 2020 Congressional Budget Justification

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Executive Summary

EXIM Bank Overview

The Export-Import Bank of the United States (EXIM or the Bank) is the official export credit agency of the United States. EXIM is an independent 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 can assist the United States in leveling the global playing field for American businesses 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 managed its operational costs and financing risks to provide more than \$14.8 billion for the U.S. Treasury since 2000. During that time, EXIM completed over 56,000 transactions totaling \$294.9 billion in trade credit financings.

EXIM also contributes to U.S. economic growth through the support of thousands of small and medium enterprises (SMEs) around the country. In FY 2018, 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 United States, 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 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** – 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 Board of Directors of the Bank is 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 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

FY2020 Budget Request Overview

The President's Budget requests \$95.5 million for EXIM administrative expenses in FY 2020. Since 2000, EXIM has provided \$14.8 billion to the U.S. Treasury after paying for all of its administrative and program expenses. The FY 2020 Congressional Budget Justification (CBJ) reflects EXIM's mission of supporting U.S. jobs through exports. The FY 2020 Budget Request will also provide EXIM with the resources necessary to meet forecasted demand for U.S. export financing in FY 2020.

Key estimates for FY 2020 include:

- The FY 2020 Budget Request supports an estimated \$23 billion in new authorizations, with an estimated export value of \$31.1 billion
- These new authorizations will support approximately 196,000 U.S. jobs
- The FY 2020 Budget Request supports an estimated \$5.8 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

- **Administrative Budget:** The FY 2020 Budget Request provides \$95.5 million for administrative expenses, which is a reduction of 13.2 percent from the annualized continuing resolution (CR) level and the appropriation level in FY 2019 of \$110 million.⁶ Below are the individual line items that comprise the FY 2020 Budget Request.

EXIM Bank Administrative Expenses (USD millions)				
Category	FY 2018 Actual	FY 2019 CR Level	FY 2019 Approp	FY 2020 Request
Personnel compensation	49	53	53	47
Personnel benefits	16	17	17	17
Travel and transportation of persons	1	2	2	1
Rental payments to GSA	7	8	8	8
Communication and utilities	3	2	2	2
Advisory and assistance services	10	9	9	7
Other services from non-federal sources	10	11	11	7
Other services from federal sources	2	2	2	2
Supplies and materials	1	2	2	1
Equipment	4	4	4	4
Total Obligations	102	110	110	96
Available for future fiscal years	8	8	8	
Total Budget Authority Available	110	118	118	96

- **Carryover:** The Budget Request for carryover is zero, the same as the appropriation level and a reduction of \$10 million from the FY 2019 annualized CR level.
- **Tied Aid:** The Budget Request cancels \$106 million in the Tied Aid unobligated balances. The Tied Aid appropriation is used to match concessional financing provided by Foreign Governments to support their respective exports.

⁶ Per guidance from the Office of Management and Budget (OMB), the budget assumes this account is operating under the Continuing Appropriations Act, 2019 (Division C of P.L. 115–245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.

- **EXIM Bank Office of the Inspector General (OIG) Administrative Budget:** The FY 2020 Budget Request provides \$5 million for administrative expenses, which is a reduction of 12 percent from the annualized CR level and the appropriation level in FY 2019 of \$5.7 million.⁷

EXIM Bank OIG Administrative Expenses (USD millions)				
Category	FY 2018 Actual	FY 2019 CR Level	FY 2019 Approp	FY 2020 Request
Personnel compensation	1	3	3	3
Personnel benefits	0	1	1	1
Travel and transportation of persons	1	2	2	1
Total Obligations	2	6	6	5
Available for future fiscal years	1			
Unobligated	2			
Total Budget Authority Available	6	6	6	5

⁷ Per guidance from OMB, the budget assumes this account is operating under the Continuing Appropriations Act, 2019 (Division C of P.L. 115-245, as amended). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.

Scoring

EXIM collects exposure fees and interest income from EXIM's credit program customers. From these fees, EXIM first sets aside funds to cover the costs of its credit programs, consistent with the prudent reserve requirements of the Federal Credit Reform Act of 1990 (FCRA). The remaining fees are classified as offsetting collections. EXIM uses these offsetting collections to cover operations, as authorized in the Bank's annual appropriations language. After paying for operating expenses, the remaining offsetting collections are classified as negative subsidy. EXIM is required to send this negative subsidy to the U.S. Treasury at the end of each fiscal year. Since 2000, the Bank has provided \$14.8 billion to the U.S. Treasury after paying for all of its administrative and program costs.

The revenue estimates below assume an EXIM board quorum by April 1, 2019⁸. EXIM is expected to collect \$607 million in fees in excess of expected losses in FY 2020. The Bank would classify \$95.5 million as offsetting collections to cover operating expenses and the remainder as negative subsidy. In FY 2020, EXIM would be self-financing while sending an estimated \$511.5 million to the U.S. Treasury.

EXIM Bank's Financial Activity (USD millions)				
	FY 2018 Actual	FY 2019 CR Level	FY 2019 Approp	FY 2020 Request
Revenue				
Offsetting Collections	(31.2)	(120.0)	(110.0)	(95.5)
Negative Subsidy	0.0	(90.3)	(100.3)	(511.5)
Total Revenue	(31.2)	(210.3)	(210.3)	(607.0)
Expenses				
Administrative Expenses	110.0	110.0	110.0	95.5
Subsidy Expenses	0.0	0.0	0.0	0.0
Carryover	0.0	10.0	0.0	0.0
Total Expenses	110.0	120.0	110.0	95.5
Summary				
Total Revenue	(31.2)	(210.3)	(210.3)	(607)
Total Expenses	110.0	120.0	110.0	95.5
Tied Aid Cancellation	0.0	0.0	0.0	(106.0)
Carryover Cancellation	(10.0)	0.0	0.0	0.0
Inspector General	5.7	5.7	5.7	5.0
Net Appropriation	74.5	(84.6)	(94.6)	(612.5)

⁸ If the restoration of a Board quorum occurred later in year, financing transactions in the pipeline (\$39.2 billion as of January 31, 2019) may be delayed as well as their corresponding offsetting collections.

Authorizations

Product Overview

EXIM 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 loan guarantees cover the repayment risks on the foreign buyer's debt obligations incurred to purchase U.S. exports. The 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's comprehensive guarantee covers commercial and political risks for up to 85 percent of the U.S. contract value.
- **Direct Loan Program:** EXIM offers fixed-rate loans directly to foreign buyers of U.S. goods and services. EXIM 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'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'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 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 a regular basis upon new transactions entering the pipeline. EXIM is also in frequent contact with its customer base regarding its long-term transaction portfolio (Transportation, Global Infrastructure, and Project Finance). The 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 April 1, 2019.

Authorization Forecasts (USD Millions)		
EXIM Bank Financing	FY 2019	FY 2020
Long-Term Transactions		
Project Finance	1,635	10,137
Global Infrastructure	1,246	1,217
Transportation	8,653	7,275
Subtotal	11,534	18,629
Medium-Term Guarantees	374	420
Medium-Term Insurance	126	80
Multi-Buyer Insurance	2,800	2,500
Single-Buyer Insurance	240	260
Working Capital	1,500	1,141
Total	16,574	23,030

Exposure

EXIM's exposure is derived from two primary sources: new authorizations and repayments of approved authorizations. EXIM 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 exposure through FY 2020.

Exposure Analysis (USD billions)							
	FY14	FY15	FY16	FY17	FY18	FY19 est	FY20 est
Exposure (Beginning of Year)	113.8	112.0	102.2	87.3	72.5	60.5	66.2
Repayments/ Prepayments/ Cancellations	(22.3)	(22.2)	(19.9)	(18.2)	(15.3)	(10.9)	(8.4)
New Authorizations	20.5	12.4	5.0	3.4	3.3	16.6	23.0
Exposure (End of Year)	112.0	102.2	87.3	72.5	60.5	66.2	80.8

FY 2018 Results

FY 2018 Total Authorizations

In FY 2018, 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, 2018, EXIM authorized \$3.3 billion of loan guarantees, insurance, and direct loans in support of an estimated \$6.8 billion of U.S. export sales which supported an estimated 33,000 U.S. jobs.

2018 Authorizations (millions)		
	Authorized	As a percent of total
Long-Term		
Loans	0.0	0.0%
Guarantees	0.0	0.0%
Subtotal, Long-Term	0.0	0.0%
Medium-Term⁹		
Loans	0.0	0.0%
Guarantees	193.9	5.9%
Insurance	97.8	2.9%
Subtotal, Medium-Term	291.7	8.8%
Short-Term		
Loans	0.0	0.0%
Guarantees	685.1	20.6%
Insurance	2,346.4	70.6%
Subtotal, Short-Term	3,031.5	91.2%
Total Authorizations	3,323.2	100%

⁹ Financing that has terms with longer than one year and less than seven years.

FY 2018 Small Business Authorizations

The Export-Import Bank Reform and Reauthorization Act of 2015 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 2018 totaled \$2.2 billion, representing 66 percent of total authorizations. In FY 2018, more than 2,100 transactions were authorized for the direct benefit of small business exporters, which amounted to 90.5 percent of total transactions.

FY 2018 Sub-Saharan Africa Authorizations

EXIM provides U.S. exporters with the financing tools they need to successfully compete for business in Africa. The 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'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. The Committee's authority lapsed in 2014 and was restored as part of the Export-Import Bank Reform and Reauthorization Act of 2015. EXIM's Board of Directors is unable to confirm members to the Committee without a quorum.

Sub-Saharan Africa authorizations represented 79 transactions, or 3.3 percent, of EXIM's transactional total in FY 2018. The dollar amount of authorizations represented 1.2 percent of total authorizations, or \$39.4 million in FY 2018.

FY 2018 Environmentally Beneficial Authorizations

EXIM'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 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 2018, EXIM authorizations of environmentally beneficial goods and services totaled \$83.1 million. Approximately 2.5 percent of the Bank's FY 2018 authorizations supported environmentally beneficial goods. EXIM's total number of renewable-energy authorizations, a subset of the Bank's environmentally beneficial authorizations, totaled 11 transactions in FY 2018. In FY 2018, EXIM authorizations, which support U.S. renewable-energy exports and services, totaled \$5.3 million.

Risk Management

Oversight

While providing support to United States exporters is key to the mission of EXIM as an institution, an effective comprehensive risk management framework is an integral, underlying requisite for the Bank to properly utilize its authority. EXIM 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 repayment. More than 80 percent of EXIM's portfolio is backed by some form of collateral or by a sovereign guarantee.

EXIM's comprehensive risk management program includes detailed documentation to ensure the Bank's rights are protected legally and the transaction is consistent with U.S. government policy. Risk management continues after a transaction is approved with proactive monitoring efforts to minimize defaults and pursue recoveries aggressively when appropriate. EXIM's comprehensive risk management framework has a strong emphasis on continuous improvement which had led to the excellent performance with claims and defaults. EXIM also engages in proper oversight and governance of the Bank's portfolio, which includes setting aside 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 appointed a new Chief Risk Officer in August 2016, who reports directly to the President of EXIM, and awaits formal approval from the Board of Directors. The Act also established a Risk Management Committee, which is comprised of the Board (with the EXIM President and First Vice President serving as ex officio members). The Risk Management Committee has met quarterly since the first quarter of FY 2016, 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'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. The credit ratings of EXIM include a detailed assessment of country risks – EXIM staffs the interagency process known as the Interagency Country Risk Assessment System (ICRAS) which includes agencies such as the Office of Management and Budget and the Department of Treasury. This rating system is used by 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 the risk based fees charged for each transaction.

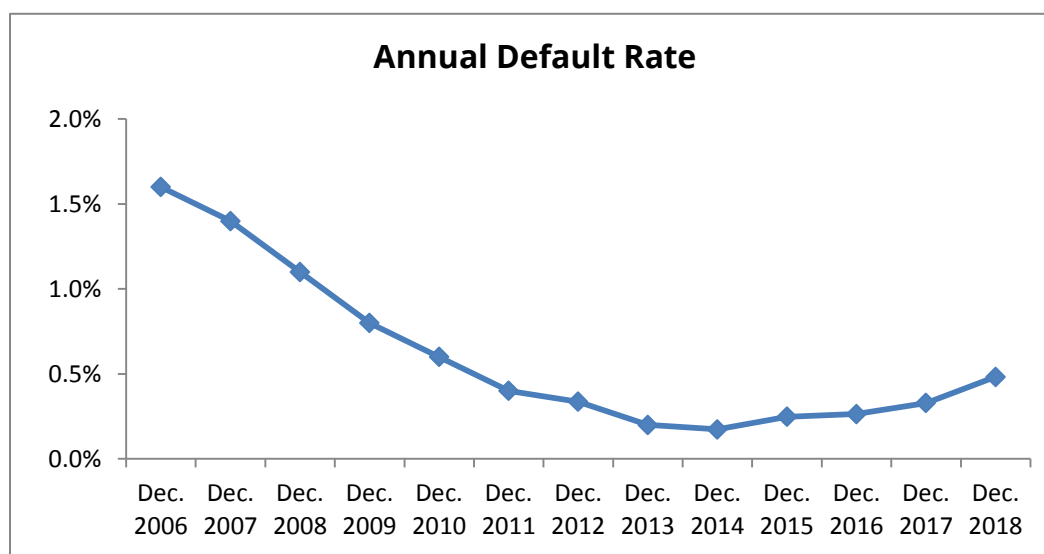
The country risk ratings also determine EXIM's ability to underwrite a transaction from a credit perspective. Given EXIM's reasonable assurance of repayment mandate, the Bank is "open" under all of its normal long-term programs for markets rated up to 7. For short- and medium-term transactions, EXIM is "open" for markets rated 8 or lower. EXIM financing is not available for markets rated 9 through 11 unless the risks can be mitigated to the Bank's satisfaction. EXIM's credit

assessment processes are very similar for medium- and long-term transactions with commitments above \$10 million requiring Board approval. Short-term financings (one year term or less) incorporate a similar credit assessment, but have a different underwriting process within the Office of Small Business.

MLT financing transactions over \$10 million are approved by EXIM's Board of Directors. Credits of \$30 million or more are reviewed through the National Advisory Committee process, in which 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's Board of Directors. Credits of \$100 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 is mandated to report to Congress on a quarterly basis the current default rate on its active portfolio. On December 31, 2018, the reported default rate was 0.482 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 low default rates are the result of the Bank's continuous improvement of strong underwriting processes, employee expertise, and effective portfolio management in the monitoring of exposure and recoveries on those credits that default. Under the Bank's Charter, if the default rate reaches two percent, EXIM's lending cap is immediately frozen, limiting the capacity of the agency to authorize new transactions.



Reserves

Consistent with FCRA, EXIM has taken steps to ensure that the Bank has properly reserved against default. EXIM determines its allowance for loss each fiscal year by assessing the current country and credit risk of each exposure, which includes both commercial and political risk factors, and

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 receives a risk rating based on the standard ICRAS classification. The allowance for losses on each exposure is modeled using both EXIM's own historical default and recovery rates to calculate the amount that must be reserved for each transaction.

A significant portion of the financial exposures underwritten by EXIM contain risk mitigants such as collateral, sovereign guarantees, and risk sharing. For example, the EXIM aircraft portfolio has an exposure of \$29 billion as of September 30, 2018, with a collateral value estimated at more than \$48 billion. The aircraft portfolio also has excellent co-financing arrangements, as the Bank completed a public private partnership with private sector insurers to reinsure \$1 billion of the agency's highest risk aircraft transactions. 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 satellites in various space launch projects.

Additionally, the Export-Import Bank Reform and Reauthorization Act of 2015 requires EXIM 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 and OMB implemented this requirement in FY 2017. Reserved Funds consist of the amounts held for a specific purpose in accordance with the reserve requirements of FCRA noted above. Per the reserve requirement effective in FY 2017, the Bank has set aside an additional \$1,100 million to protect against future losses combined with the total allowance of \$2,609.7 million reserved in accordance with FCRA. In total, EXIM has available reserves at Treasury and allowance at Treasury for losses totaling \$3,709.7 million (6.4 percent of the total outstanding balance of loans, guarantees, and insurance) as of September 30, 2018. EXIM reviews the reserve levels in the financing accounts on an annual basis to remain compliant with the reserve requirement. In the event that losses exceed this reserve, EXIM would be able to draw additional funds from the U.S. Treasury to satisfy those claims.

Asset Management

Following the underwriting phase of a transaction, EXIM continuously manages and monitors the portfolio of credits after they have been approved, documented, and disbursed. The asset monitoring groups operate independently of the credit underwriting divisions. The Bank ensures that loans are monitored by individuals who are not part of, nor influenced by, anyone associated with the underwriting process. EXIM'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 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's senior management as appropriate to changes in risk status. Additionally, the information gained from portfolio monitoring is provided as critical feedback to the underwriting areas within EXIM to continuously improve the process, policy, analysis, and ultimate documentary structure of new financing requests.

Appropriations Language in the President's FY 2020 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 \$95,500,000, of which up to \$14,325,000 shall remain available until September 30, 2021: 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, 2020: 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, \$106,000,000 are hereby permanently cancelled.