



Doing Business in Latin America



SBA Trade Programs

Trade Finance Products

- SBA Export *Express*
- International Trade Loan (ITL)
- Export Working Capital Program
(EWCP)



SBAExport *Express*

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SBAExport *Express*

- Program minimizes the use of government mandated forms and procedures and streamlines the processing and costs of smaller SBA loans for exporters.
- Maximum loan amount limited to \$500,000.
- Lenders are granted expanded authority and autonomy.
- The rate of guaranty is 90% for loans up to \$350, 000 or 75% for loans between \$350,000 and \$500,000.



SBAExport *Express*

- Finance standby letters of credit used for either bid or performance bonds;
- Finance export development activities such as participation in a foreign trade show or the translation of product literature for use in foreign markets;
- Provide transaction-specific financing for overseas orders;
- Provide revolving lines of credit for export purposes – the term of which may not exceed seven years;



SBAExport *Express*

- An SBA Export *Express* loan may only be made to a business that has been operating, although not necessarily in exporting, for at least 12 full months.
- The applicant must submit to the lender a plan which demonstrates how the loan proceeds will enable it to enter a new export market or expand an existing export market and should include projected export sales for the upcoming year as well as the dollar volume of export sales for the previous year.



ITL

INTERNATIONAL TRADE LOAN (ITL)



- **Fixed asset financing needed to expand exports or develop new export markets**
 - **or**
- **To respond to the adverse impact of import competition**



ITL

- **Provides 90% guarantee for loans up to \$5,000,000 for as long as 25 years.**
- **Collateral must be held in the U.S.**
- **A portion of the loan can be used for working capital.**
- **Refinancing existing loans is possible.**

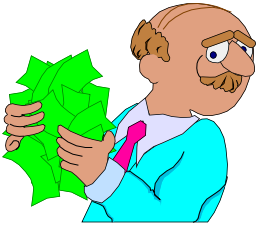




EWCP

EXPORT WORKING CAPITAL PROGRAM (EWCP)



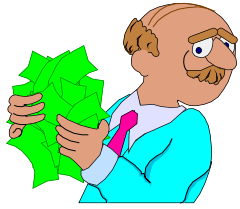


EWCP

The program covers

- Pre-shipment working capital
- Post-shipment exposure
- Combination of pre- and post-shipment financing



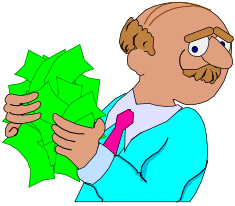


EWCP

- EWCP can cover single transactions or multiple sales under a revolving line
- Guarantees 90% of a private sector loan up to \$5,000,000



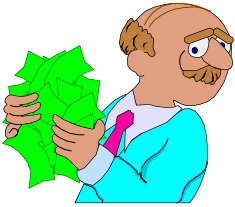
EWCP



PRE-EXPORT Working Capital

- Orders against L/Cs
- Contracts for services
- Open account P.O.s with acceptable insurance or strong buyer
- Finance labor and materials
- Purchase goods and services

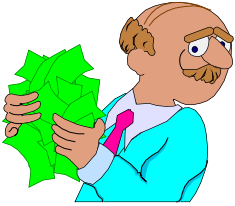




COLLATERAL

- **1st lien** on financed inventory
- **Assignment** of proceeds from:
 - Letter of Credit
 - Documentary collections
 - Foreign receivables
- Personal guarantees of owners (20% or more) and key principals, if applicable

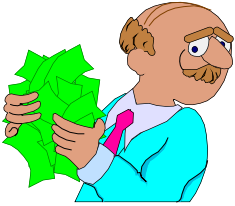




FEES and RATES

- **Guarantee fee:**
 - maturities of 12 months or less = 1/4%
 - maturities greater than 12 months:
 - 2% up to 3.75% depending on loan size
- **Interest Rates/Lender Fees are fully negotiable**





ELIGIBILITY

A business must:

- **Meet SBA's industry size standards**
- **Have been in business for at least 12 continuous months – But...**



ExIm Bank

Credit Insurance

IF you finance with SBA's EWCP

AND you insure the A/R with ExIm...

- ExIm Bank will grant a 25% discount on the insurance premiums

