



## SBA EXPORT FINANCE PROGRAMS

When exporters are not bankable without a government loan guarantee, the U.S. Small Business Administration (SBA) offers a federal guarantee up to 90% to lenders on export loans. These loans have varying loan size limits with \$2 million the absolute cap that may not be exceeded. Interest rates are market-based, (not subsidized) and negotiated between the bank and borrower. SBA fees vary by loan terms and amounts. A personal guaranty is required and other conditions may apply.

### Eligibility

- Meet SBA's size standards for small businesses
- Have been in business for at least 12 continuous months
- For all types of businesses, incl. service exporters
- Also businesses not directly exporting but who produce or sell product / services for export

**Depending on the type of export financing, i.e., export transaction financing, export market development and start-up or long term financing for construction and equipment, four SBA loan programs are available.**

### **A. EXPORT WORKING CAPITAL PROGRAM [EWCP]**

<http://www.sba.gov/services/financialassistance/SpecialPurposeLoans/ewcp/index.html>

For single orders or multiple sales (line of credit) the Export Working Capital Program (EWCP) provides export working capital for pre-shipment or post-shipment financing or both for terms of 12 months or less. While the maximum SBA guarantee is \$1.5 million, with an EXIM Bank co-guaranty, the loan limit is \$2 million. It can be used for a Stand by Letter of Credit in bid bonds and performance guarantees. SBA's fee is ¼ %; the Guarantee 90%.

- Pre-shipment: for the manufacture of goods, to purchase finished goods or services for export. WIP eligible.
- Post-shipment: to finance accounts receivable resulting from export sales (180 days maximum).
- Combination: to finance both the acquisition or production of export goods and services and the resulting accounts receivable; especially well-suited for contract financing of export sales.

### **B. EXPORT EXPRESS**

<http://www.sba.gov/services/financialassistance/SpecialPurposeLoans/exportexpress/index.html>

For a variety of export financing, i.e., marketing, trade shows, transactions, equipment, expansion, etc., Export Express loans are available through designated SBA Express Lenders. As a sub-program of SBA Express these loans have the same expedited review; maximum loan size is \$250,000.

### **C. EXPORT EXPANSION LOAN – ITL -**

<http://www.sba.gov/services/financialassistance/SpecialPurposeLoans/tradeloans/index.html>

This program offers long term financing to support growing export businesses which can be used for fixed asset uses, i.e., construction, buildings, equipment, etc. Companies adversely affected by import competition are also eligible. SBA's usual guarantee of \$1.5 million is increased for a combination term ITL loan and EWCP to \$1.75 million with a sub-limit for working capital of \$1.25 million.

### **D. 504 LOAN PROGRAM**

<http://www.sba.gov/services/financialassistance/sbaloantopics/cdc504/index.html>

Major business expansion, equipment, construction and modernization financing for long term [10 or 20 years] and fixed rates based on U.S. Treasury notes is available through SBA designated CDCs (Community Development Corporation) and requires at least 10% equity participation by the borrower.

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