

# Small Business Exporters Need Working Capital

## Solution: SBA Export Working Capital Program

Companies that strategically use exporting to fuel sustainable revenue growth will quickly discover that over time, exports sales will result in a large pool of both inventory and accounts receivable that need to be financed to prevent shortfalls in cash flow. **The Export Working Capital Program** is used to finance these pools of export assets.

Using SBA export loan guarantees, companies can work with their lender to arrange an asset-based line of credit or loan.

### Benefit to Export Working Capital Guarantee Lenders

- **90% guarantee**
- **Funds single transactions OR multiple export orders on inventory and receivables** (up to \$5,000,000)
- **Maximum advance rates:**
  - Up to 90% on foreign A/R
  - 75% on export-related inventory
  - 75% on export-related work-in-process
- Can advance against purchase orders up to 100% of borrower's cost to fulfill orders

To learn about SBA programs supporting U.S. small business exporters, contact an SBA office near you or visit [SBA.gov/InternationalTrade](https://www.sba.gov/InternationalTrade).



U.S. Small Business  
Administration

[SBA.gov](https://www.sba.gov)

FOR LENDERS



## Example

**Company:** Grocery products wholesaler in business 3 years; average annual sales \$2 million/year.

**Order:** Open account invoices to distributors in Asia of ~\$3.5M/year.

### Asset-based Line of Credit

**Foreign buyer provides:** Letter of Credit

**U.S. small business exporter**

**provides:** 60-day terms to distributors

### Working Capital Need

**Loan Amount:** \$500,000

**Use:** Asset-based line of credit, 90% SBA guarantee

**Term:** 12 months

### Collateral:

- Foreign accounts receivable: 85% advance rate
- Export inventory—65% advance rate

### Benefit to Business Owner:

\$500,000 working capital available on revolving line to finance open account terms on international sales