

Export Loan Programs

SBA has made it a priority to help small business exporters by providing a number of loan programs specifically designed to help develop or expand export activities.

Export Express Loan Program

Which Lenders Qualify

Lenders that have an executed participation agreement with the SBA.

Use of Proceeds

These proceeds can be used to support any export development expenses, including:

- Developing an export market, such as attending foreign trade shows, translating product literature, etc
- Financing export transactions
- General lines of credit to support export activity, including standby letters of credit
- Equipment and real estate used in the production of goods and services for export

Eligibility

For all Export Loans, the SBA conducts an eligibility analysis. In order to qualify for an Export Express Loan, a business must:

- Use the loan proceeds to start or expand exporting
- Be in operation for one year prior to application

i Pro Tip: This one-year requirement can be waived if the applicant demonstrates exporting expertise, has successful business experience, and the lender does conventional underwriting.

Maximum Allowable Interest Rates

- Gross Loan amount of \$50,000 or less:
 - » Prime + 6.5%
- Gross Loan amount over \$50,000:
 - » Prime + 4.5%

Credit Analysis

The lender covers all aspects of prudent credit analysis with an emphasis on the applicant's ability to repay the loan from operation. PRO TIP: The SBA is not involved in this credit review.

Maximum Loan Amount

- \$350,000 with a 90% guaranty
- \$500,000 with a 75% guaranty

Maximum Terms

- Working Capital: 7 years
- Equipment: useful life, or 10 years
- Real Estate: 25 years

Export Working Capital Loan Program (EWCP)

Who Qualifies

Same as basic 7(a) eligibility. Plus, must be in business one year and engaged or preparing to engage in exporting.

i Pro Tip: This one-year requirement can be waived if the applicant demonstrates exporting expertise and successful business experience.

Use of Proceeds

These proceeds can be used to support export transactions only. They can cover most costs - for inventory, production,

and supporting accounts receivable - from purchase order through collections. They can also support Standby Letters of Credit.

Maturity

Can be up to a maximum of 36 months, but generally 12 months or less.

Structure

These loans can be structured to fund one or more transactions, or as an asset-based line of credit. Interest is paid monthly, and the principal is paid as payments from items shipped overseas are collected. These loans

can be renewed annually, and lenders may charge an extraordinary servicing fee. The percentage of guaranty is up to 90%.

Maximum Loan Amount

An EWCP loan can be for as much as \$5 million, with a 90% guaranty to the lender for a \$4.5 million maximum guaranty.

Benefit to Borrower

These loans provide American exporters with a line of credit to support export sales that can be separated from a domestic operations line of credit.

International Trade Loan Program

Who Qualifies

Same as basic 7(a) eligibility. Plus, businesses must be:

- engaged or preparing to engage in exporting, OR
- adversely affected by competition from imports and planning to use this financing to become more competitive

Use of Proceeds

These proceeds may be used to acquire, renovate, modernize facilities or equipment used in making products or services to be exported. Plus, they may be used for permanent working capital and to refinance business debts currently on unreasonable terms.

Maturity

Based on the use of proceeds and the borrower's ability to repay. Not based on collateral. Maximum maturity:

- Working Capital: 10 years
- Fixed Assets: 10 years
- Real Estate: 25

Structure

Term loans with one monthly payment of principal and interest (P&I). Borrower contribution is required. Interest rates are the same as with 7(a) term loans.

Maximum Loan Amount

- Maximum loan amount: \$5 million
- Maximum guaranty: 90% or \$4.5 million

i Pro Tip: If the borrower has both an international trade loan and a working capital loan guaranteed by the SBA, the maximum guaranty on all working capital loans to any one business is limited to \$4 million.

Benefit to Borrower

Same as basic 7(a). Plus, long-term financing for export related fixed assets and working capital.