

# ***SBA EXPORT FINANCING***

*HOW DO I GET THE WORKING CAPITAL I NEED?*







# PREVIOUS PIECES







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**SBA EXPORT FINANCING**

# SBA EXPORT FINANCING







# MYTH: SMALL BUSINESSES DON'T EXPORT

## FACTS:

- 70% of US exporting firms are very small companies (with fewer than 20 employees)
- 30% of all U.S. exports are by small and medium-sized enterprises (SMEs)





# WHAT IS SMALL?

- MANUFACTURERS:  
under 500 employees up to 1500
- DISTRIBUTION & WHOLESALE:  
under 100 employees up to 500
- SERVICES/RETAIL:  
under \$6.5M in sales up to \$32.5M







# **SBA** OFFICE OF INTERNATIONAL TRADE



- 1. Make sure the voice of small business is heard in international trade negotiations**
- 2. Help small businesses compete globally**
- 3. Contribute to US global agenda**
- 4. Facilitate access to trade capital**





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# SBA EXPORT FINANCE PROGRAMS\*

\*All SBA loans are lender guaranteed

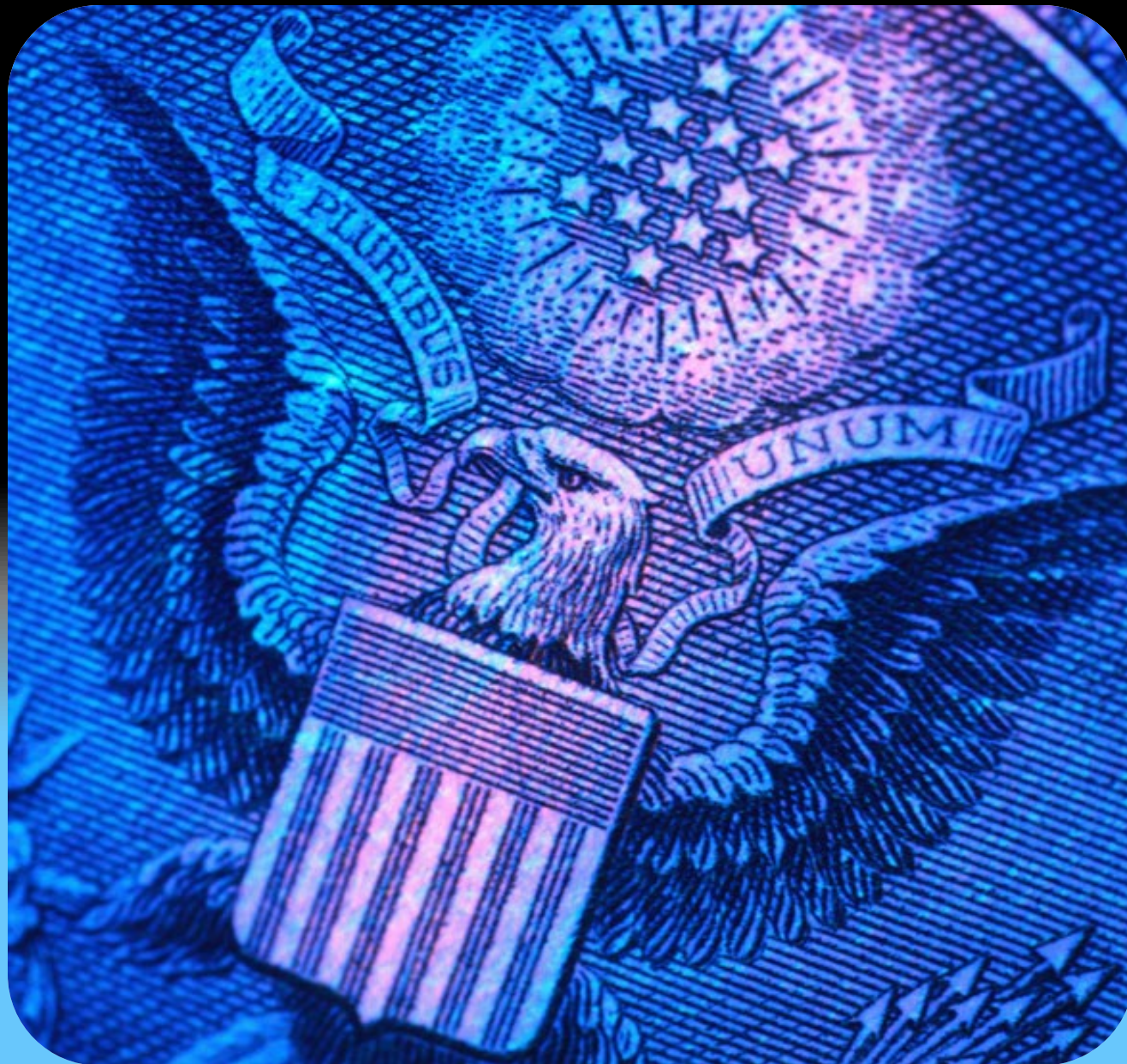
1. Export Working Capital Loan
2. Export Express
3. International Trade Loans





# EWCP PHILOSOPHY

*“No US business should lose a viable export sale due to a lack of working capital.”*







# EXPORT WORKING CAPITAL PROGRAM

- ✓ **Short term working capital**  
(12 months, single or multiple transactions)
- ✓ **90% guarantee to lender**  
(of loan amount less than \$5M)
- ✓ **Interest rate & fees negotiable**  
(1/4 of 1% guarantee fee + .55% servicing fee)
- ✓ **Collateral = inventory, receivable** (or transaction proceeds)







# WORKING CAPITAL ELIGIBILITY

- In business 12 months  
(not necessarily exporting)
- Comply with ExIm Bank  
Country Limitation Schedule
- Meet SBA size standards
- Can be military end user  
(some limitations)
- No 51% US content requirement







# WHAT SBA LOOKS FOR

## 1. Is the deal “doable”?

(Size standard, In business 1 year)

## 2. Reliable repayment source?

(Open account to first time buyer in an unstable country? Confirmed L/C?)

## 3. Can the exporter perform?







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# COLLATERAL?



Photo: by instructor.





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**IS THIS ANY BETTER?**





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# PAID AT PORT







# EWCP – INDIRECT EXPORTS

**Selling to export trading companies**

**Selling to manufacturers who will export**

(e.g.. export trading companies, other US manufacturers)

**Must certify that final product will be exported**







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**ONE  
STEP  
REMOVED**



# HOW TO APPLY FOR EWCP

1. Approach your lender and request a commercial loan.
2. The Bank will then forward your application to SBA for approval, if needed.





# SBA EXPORT EXPRESS

Loans from \$5,000 to \$500,000

Can be used for any legitimate business purpose  
to support exporting:

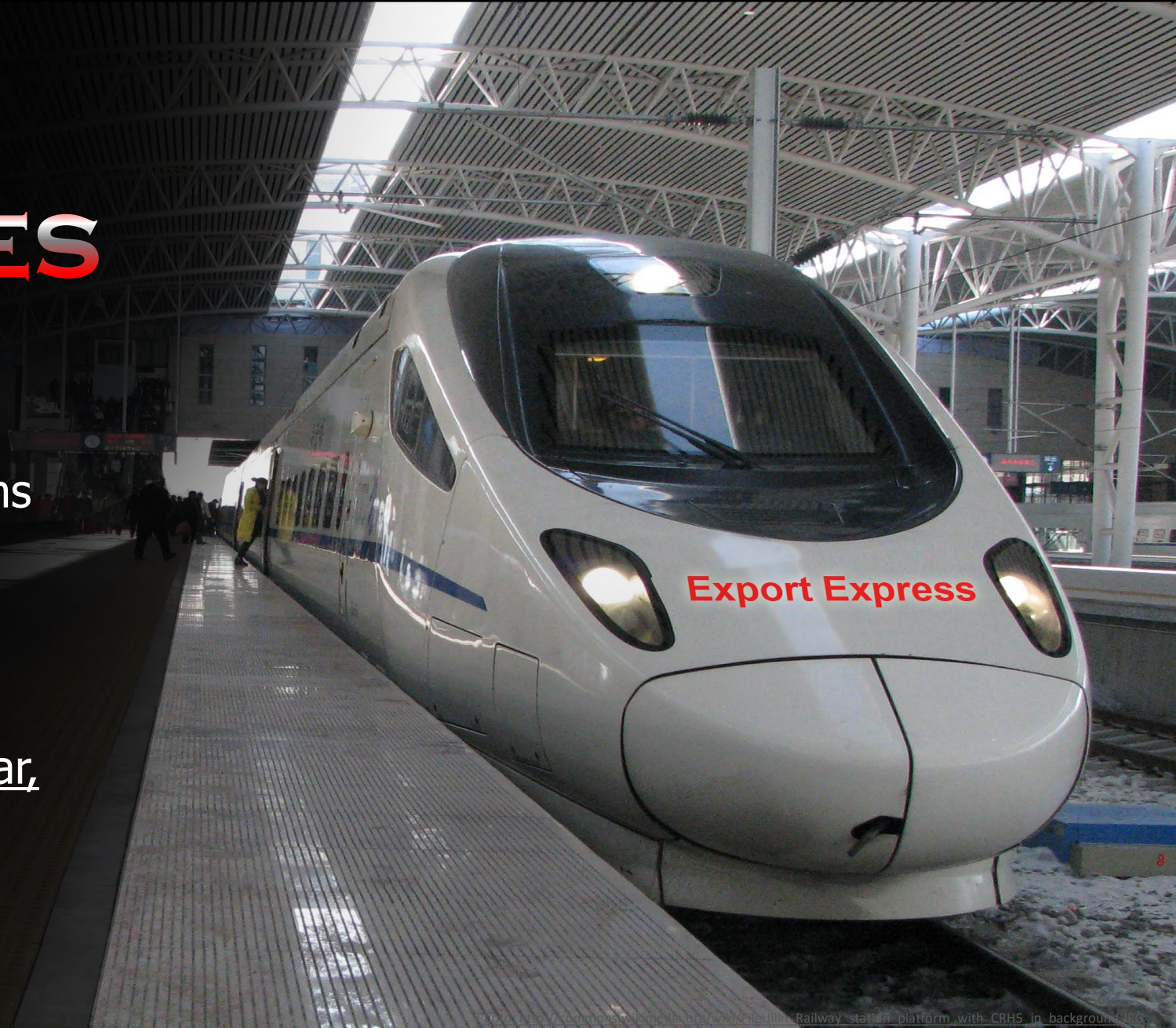
Commerce Department export assistance services, inventory, equipment, real estate

Revolving line from 1 - 7 years, or a term loan up to 25 years.



# EXPORT EXPRESS KEY FEATURES

- SBA has numerous *Express* lenders.
- Banks can use own application forms and approve loans in-house
- Lender has loan guaranty of 90% or 75% depending on loan size
- Must have been in business one year, but not necessarily exporting







# EXPORT EXPRESS IS GREAT FOR SMALL SHIPMENTS



photo: Vern poses for the cover of 'Fly Fisherman' magazine | Flickr.com





# INTERNATIONAL TRADE LOAN

- For fixed assets
- Must prove hurt by imports or loan will increase exports
- Up to 90% guarantee
- Up to \$4.5M in guarantee
- Max term of 25 years







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# BUILDING ON LEASED LAND







# DOMESTIC SBA FINANCING PROGRAMS AVAILABLE TO EXPORTERS

1. 7(a) Guaranty Loan, standard loan program
2. Regular SBA Express
3. Caplines, domestic lines of credit
4. 504 Certified Development Company Loans, long term fixed rate debentures





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**TRADE MISSION  
ON-LINE**

❖ **PART OF CENTRAL CONTRACTOR REGISTRATION**

(ref.: [www.ccr.gov](http://www.ccr.gov))

❖ **MUST HAVE DUNS # FROM D&B**

❖ **GO TO [www.sba.gov/oit](http://www.sba.gov/oit) THEN TO TM ONLINE** (look under “resources.”)

**MODUM**

**ANALOG  
CELLPHONE**

**EXPORTER**

**PROTOTYPE PC**





## Quiz 9

*Quiz - 9 questions*

Last Modified: Mar 31, 2014 at 09:45 AM

### PROPERTIES

On passing, 'Finish' button: [Goes to Next Slide](#)

On failing, 'Finish' button: [Goes to Next Slide](#)

Allow user to leave quiz: [After user has completed quiz](#)

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Edit in Quizmaker



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SESSION 9:

# ***THE END***

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