

TRADE FINANCING

The SBA has three loan guaranty programs to help small businesses access the capital needed to provide goods and services to the global marketplace. Lenders participating in SBA loan programs are able to make loans on terms and conditions that would otherwise be unavailable.

EXPORT WORKING CAPITAL PROGRAM

SBA's **Export Working Capital Program** loans are targeted to small businesses that are able to generate export sales and need additional working capital to support these sales. Since most banks in the U.S. do not lend against export orders, export receivables or letters of credit, SBA provides lenders guaranties of up to 90 percent on export loans to ensure that qualified exporters do not lose viable export sales due to a lack of working capital. The maximum loan amount is \$2 million.

How Funds May Be Used: EWCP loans are used for transaction financing. EWCP loans can also be used to even out cash flow when exporters have negotiated longer sales terms and cannot carry the resulting receivables with their own working capital. The EWCP loan can be a short-term loan for a single contract or in the form of a line of credit that supports ongoing export sales for a period of 12 months.

Eligibility: Financing is available for manufacturers, wholesalers, export trading companies and service exporters. EWCP loan borrowers must meet SBA 7(a) eligibility and size standards (less than 500 employees for manufacturers, less than 100 employees for wholesalers) and have been in business for at least one year. SBA can waive the one year in business requirement if the applicant can demonstrate sufficient export expertise and business experience.

How to Apply: A small business applies directly to a participating lender. The lender reviews/approves the application and submits the request to the SBA staff at the U.S. Export Assistance Center location servicing the exporter's geographic territory. Exporters can apply for EWCP loans in advance of finalizing an export sale or contract. With an approved EWCP loan in place, exporters have greater flexibility negotiating export payment terms, secure in the assurance that adequate financing will be in place when the export order is won.

For More Information: go to www.sba.gov/international and click on **Export Working Capital Program**.

INTERNATIONAL TRADE LOAN PROGRAM

The **International Trade Loan Program** offers term loans to businesses that plan to start or continue exporting or that have been adversely affected by competition from imports. The proceeds of the loan must enable the borrower to be in a better position to compete. The program offers borrowers a maximum SBA-guaranteed portion of \$1.75 million.

How Funds May Be Used: Funds may be used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets or the refinancing of an existing loan used for these same purposes.

Eligibility: International Trade loans are available to small businesses that are in a position to expand existing export markets or develop new export markets, or small businesses that have been adversely affected by international trade and can demonstrate that the loan proceeds will improve their competitive position.

Loan Amount: The maximum gross amount (\$2 million) and SBA-guaranteed amount (\$1.5 million) for an International Trade loan are the same as the basic 7(a) loan. However, there is an exception to the maximum guaranty amount for one borrower. When the borrower has an International Trade loan and a separate working capital loan, the maximum SBA guaranty on the combined loans can be up to \$1.75 million as long as the SBA guaranty on the working capital loan does not exceed \$1.25 million.

How to Apply: Interested businesses should apply through a participating lender.

For More Information: go to www.sba.gov/international and click on **International Trade Loan Program**.

EXPORT EXPRESS

SBA **Export Express** helps small businesses develop or expand their export markets. The program provides exporters and lenders a streamlined method to obtain SBA-backed financing for loans and lines of credit up to \$250,000.

Most banks in the U.S. do not lend against export orders, export receivables or letters of credit. SBA temporarily provides lenders with up to a 90 percent guaranty on export loans as a credit enhancement to encourage participating banks to make loans that make the necessary export financing available.

Lenders use their own credit decision process and loan documentation. SBA provides an expedited eligibility review and provides a response in less than 24 hours, so exporters get access to funds faster.

How Funds May Be Used: Loan proceeds may be used to finance any export development activity, including:

- Standby letters of credit when required as a bid bond, performance bond or advance payment guarantee
- Participation in a foreign trade show
- Translation of product brochures or catalogs for use in overseas markets
- General lines of credit for export purposes
- Service contracts from buyers located outside the United States
- Transaction-specific financing needs associated with completing actual export orders
- Providing term loans and other financing to enable small business concerns, including export trading companies and export management companies, to develop foreign markets
- Acquisition, construction, renovation, modernization, improvement or expansion of productive facilities or equipment to be used in the United States in the production of goods or services for export

Eligibility: SBA Export Express loans are available to businesses that meet the normal requirements for an SBA 7(a) business loan guaranty. Financing is available for manufacturers, wholesalers, export trading companies and service exporters. Loan applicants must demonstrate that the loan proceeds will enable them to enter a new export market or expand an existing export market. Applicants must have been in business, though not necessarily in exporting, for at least 12 months.

How to Apply: Application is made directly to the lender. Lenders use their own application materials in addition to SBA's Borrower Information Form.

Lenders approve the request and then submit a limited amount of eligibility information to SBA's National Loan Processing Center. The SBA provides a response within 24 hours.

Interested businesses should contact their existing lender to determine if it is an SBAExpress lender. Lenders that participate in the SBAExpress program are also able to make Export Express loans

For More Information: go to www.sba.gov/international and click on **Export Express Loan Program**.

SBA: YOUR SMALL BUSINESS RESOURCE

Visit www.sba.gov/international for more information on taking your business global.

All SBA programs and services are provided on a nondiscriminatory basis. 06/10

TAKE YOUR BUSINESS GLOBAL

U.S. SMALL BUSINESS ADMINISTRATION

Many businesses think they are too small to compete in the world market. In fact, 97 percent of all exporters are small businesses. While 96 percent of the world's customers reside outside the United States, most U.S. companies never think of foreign markets and do not realize that foreign sales opportunities are now well within reach.

SBA can help you get started and succeed in the global market through trade education and international loan guaranty programs.

WHY EXPORT?

- Decline in the exchange rate of the dollar, resulting in increased purchasing power in many export markets
- Available productive capacity in the U.S. to handle manufacturing expansion and a ready supply of workers
- Lower costs for transportation and communications
- Reduction in trade barriers
- Increase sales and profit
- Reduce dependence on the domestic market alone
- Extend the sales potential and product life of existing products
- Stabilize seasonal market/sales fluctuations

U.S. EXPORT ASSISTANCE CENTERS

United States Export Assistance Centers, located nationwide, provide one-stop trade promotion, financing and export insurance programs. The SBA, the U.S. Commercial Service and the U.S. Export-Import Bank work together to support small businesses interested in exporting.

To locate the SBA senior trade promotion and finance specialist nearest to you, go to www.sba.gov/international

ONLINE RESOURCES

Take Your Business Global—A Small Business Guide to Exporting, www.sba.gov/international, provides a step-by-step approach to developing an export-marketing plan.

Take Your Business Global—An Introduction to Exporting, a free, comprehensive training course, www.sba.gov/training

Exporting experts and successful small business exporters share their knowledge via podcasts and videos. Check these out at www.sba.gov/tools/audiovideo/index.html

At www.export.gov, you'll find resources from across the U.S. Government including market research, trade leads and information about export finance.



AMERICAN WIND GENERATORS SELL WORLDWIDE — AN EXPORTING SUCCESS STORY

Southwest Windpower, located in Flagstaff, Ariz., recognized the potential for worldwide distribution of wind generators when it began producing battery charged small wind generators in 1987.

Andrew Kruse, executive vice-president for business development, discovered SBA resources while looking online for information about exporting. An SBA export counselor advised Kruse on how the Export Working Capital Program could be used to expand his business. Today, Southwest Windpower distributes products to more than 120 countries. Nearly half of its sales of \$425 million in 2008 came from international markets.

Southwest Windpower was recognized in 2009 as SBA's National Exporter of the Year during national Small Business Week.

COUNSELING & ASSISTANCE

Business experts who can help you with exporting, or other areas of entrepreneurship to help your business start and grow. Resources include the SBA's district offices serving every state and territory; nearly 400 offices of SCORE — Counselors to America's Small Business; more than 950 Small Business Development Centers; and more than 110 Women's Business Centers. To locate offices near you go to:

- www.sba.gov/localresources
- www.score.org
- www.sba.gov/sbdc
- www.sba.gov/services/ and choose Women's Business Centers from the "Counseling & Assistance" heading at the bottom.



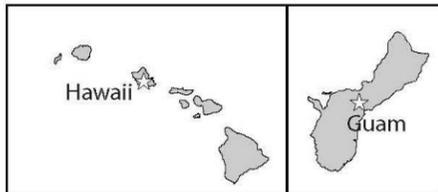
EXPLORE INTERNATIONAL TRADE

NETWORK OF U.S. EXPORT ASSISTANCE CENTERS AND SBA FIELD OFFICES



★ U.S. EXPORT ASSISTANCE CENTERS

☆ SBA Field Office



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