



MISSOURI EXPORT FINANCE PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

The Missouri Export Finance Program is a cooperative effort of the Missouri Department of Economic Development, Division of Business and Community Services, and the Missouri Development Finance Board.

The mission of the program is to assist Missouri companies to obtain export finance and export credit insurance to increase sales internationally.

AUTHORIZATION

Sections 620.170 to 620.174, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Missouri companies.

PROGRAM BENEFITS/ELIGIBLE USES

The program focuses on existing finance and insurance programs provided by several key federal and international agencies:

- **The Export-Import Bank of the United States (Ex-Im)** is an independent U.S. government agency, which helps to finance and facilitate the export of U.S. goods and services. Ex-Im Bank's programs are geared specifically for small business. Ex-Im Bank assists U.S. exporters in meeting officially supported foreign credit competition. Ex-Im Bank assumes risks not commonly assumed by other lenders and exporters. Ex-Im Bank also provides financing to foreign buyers of U.S. goods and services when private lenders refuse to finance those export sales. Ex-Im Bank does not compete with private financial institutions and only offers assistance if an export credit transaction cannot take place without its help.

There are three main Ex-Im Bank programs:

- **Export Working Capital Guarantees**
- **Export Credit Insurance**
- **Foreign Buyers Loan Guarantees**

The Small Business Administration (SBA) and Ex-Im Bank combine their efforts in the **Export Working Capital Program (EWCP)**, which provides working capital to fulfill export sales. With this program, a company can arrange a loan from a commercial lender, guaranteed by either the Ex-Im Bank or the SBA.

The EWCP supports export financing to small businesses when financing would not otherwise be available on acceptable terms. The EWCP encourages lenders to offer Export Working Capital loans to exporters by guaranteeing repayment of at least 90 percent of such loans. A loan can support a single transaction or multiple sales on a revolving basis. The International Business Manager can help you package your loan request. Alternatively, you can access the EWCP in two ways. If you are already working with a bank, you can request that your lender apply to the SBA for a preliminary commitment (PC) or to the Ex-Im Bank for a Letter of Interest. The Letter of Interest will manifest the Ex-Im Bank's interest in the transaction. The PC from the SBA will state the specified terms and conditions under which the SBA will provide the guarantee. With the preliminary commitment and the Letter of Interest in hand, the exporter may be able to find a bank that is interested in the transaction.

Ex-Im Bank's Export Credit Insurance protects the credit you extend to buyers by insuring the receivables. The Ex-Im Bank's short- and medium-term export credit insurance covers the risk of buyer nonpayment for most commercial and political reasons.

Ex-Im Bank's Foreign Buyers Loan Guarantees assist creditworthy international businesses with purchasing U.S. goods and services by guaranteeing lender repayment. Ex-Im Bank will support up to 85 percent of the contract amount for goods that have at least 51 percent of U.S. content after a cash payment of at least 15 percent.

- **Overseas Private Investment Corp. (OPIC)** supports, insures and finances sound U.S. investments that foster private initiative and competition, significantly benefiting the social and economic development of the host country. OPIC provides political insurance that covers loss of investments due to expropriation, nationalization or confiscation by the host government, currency inconvertibility, and loss of assets or income due to political violence. The International Business Manager can assist companies to register with OPIC to use the programs provided.
- **U.S. Trade and Development Agency (TDA)** helps to create American jobs by aiding U.S. companies that pursue overseas business opportunities. Through the funding of feasibility studies, orientation visits,

specialized training grants, business workshops and various forms of technical assistance, TDA helps U.S. businesses compete for infrastructure and industrial projects in emerging markets.

- **The World Bank Group** is a multilateral lending agency of four closely associated institutions: the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation and the Multilateral Investment Guarantee Agency. The International Business Manager can give tips and guidance on obtaining World Bank contracts.
- **Global Technology Network (GTN)** is operated and administered by the U.S. agency for International Development. GTN is a trade lead/business-matching program that facilitates the transfer of U.S. technology and services to developing countries.

FUNDING LIMITS

There are no limits on funding for Ex-Im Bank and OPIC programs.

SBA Working Capital Guarantee – a limit of \$2 million.

SBA Export Express – a limit of \$150

Maximum Percentage of amount per program:

- Ex-Im Bank Credit insurance – 100% of cost with profit
- Ex-Im Bank Export Working Capital - 90% of actual costs, no profit margin included
- Ex-Im Bank Loan Guarantee – 85% of project cost
- SBA Export Working Capital – 90% of actual cost, no profit margin included
- SBA Export Express - 85%

APPLICATION/APPROVAL PROCEDURE

All programs are discretionary and require approval from the authorizing agency.

With the exception of the Ex-Im Bank Loan Guarantee program, where the application is made by the importer, all applications must be made by the exporter or the U.S. lending institution.

REPORTING REQUIREMENTS

All programs require annual reporting.

SPECIAL PROGRAM REQUIREMENTS

Ex-Im Bank programs require 51% U.S. content in goods and services.

OPIC programs require 51% ownership by U.S. citizen.

CONTACT

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