



EXIM Board Extends COVID-19 Temporary Relief Measures Benefiting Small Business, Transportation and Other Exports Through April 2022

Actions Enable Relief Measures to Continue to Support U.S. Small Businesses and Industries Adversely Affected by the Pandemic

FOR IMMEDIATE RELEASE

April 15, 2021

Media Contact Name/Phone: Office of Communications (202) 565-3204

WASHINGTON - The Board of Directors of the Export-Import Bank of the United States (EXIM) today unanimously voted to extend its [COVID-19 temporary relief measures](#) applying to the Working Capital Guarantee Program, the Supply Chain Financing Guarantee Program, and the agency's support for transportation-related and other large-scale exports through its Bridge/Backstop Financing Program and Pre-Delivery/Pre-Export Financing Program. EXIM's temporary relief measures were originally approved by EXIM's Board of Directors on March 25, 2020, in effect until April 30, 2021. Today's board actions extend all of these measures for another year through April 30, 2022.

Over the past year, U.S. small businesses benefited significantly from the relief measures. Since April 2020, the measures have resulted in \$1 billion in EXIM working capital guarantee and supply-chain financing guarantee authorizations. In fiscal year (FY) 2021 to date, EXIM's working capital guarantees for minority and women-owned

businesses have risen to a total of \$31.5 million-a 50 percent increase over the previous period in FY 2020.

The measures affecting supply-chain financing have resulted in many small businesses in the supply chains of larger exporters receiving significant cash-flow benefits. For example, the wait time for suppliers to receive payment of related accounts receivable has been reduced from typically 75 to 90 days to 10 days or fewer. In the supply chain of one company utilizing the program, 75 percent of the companies benefiting from the financing have been U.S. small businesses.

"By extending these temporary relief measures today, EXIM is sending a strong message that we continue to support our exporters and their international buyers during the coming year as America recovers from the COVID-19 pandemic. We will continue to demonstrate our commitment to the needs of U.S. exporters, their international buyers, and EXIM's lending partners in order to help expand U.S. exports and employment as our nation's economy recovers," said EXIM Acting First Vice President and Vice Chairman James C. Cruse.

"Over the past year, EXIM has worked tirelessly to alleviate the economic effects of the COVID-19 pandemic. I commend the resiliency, the creativity and the dedication of EXIM's leadership and staff in supporting America's exporters and the jobs they create. I am pleased to support the extension of these temporary relief measures for an additional year in order to continue helping our country build back better," said EXIM Board Member Judith D. Pryor.

"EXIM relief measures continue to serve as common-sense solutions that are assisting American companies and their workers during this historic time of economic challenge. We listened to the needs of our customers and responded by giving American businesses the flexibility they need to recover and keep their U.S.-based employees on the payroll. Extending these measures ensures that our customers will have confidence in EXIM's ongoing support in achieving stability and growth," said

EXIM Board Member and former Chairman of the House Financial Services Committee
Spencer Bachus.

Today's board action enables EXIM to continue providing the following relief measures:

Working Capital Guarantee Program

- EXIM's Working Capital Guarantee Program facilitates loans from commercial lenders, typically through Designated Authority (DA) lenders, to creditworthy U.S. businesses that export over the term of the loan. At the beginning of the pandemic, many DA lenders had expressed to EXIM the need for greater working capital financing support given the significant liquidity pressure on suppliers and exporters.
- To meet these concerns, EXIM will continue to temporarily modify the program to make it more flexible. Specifically, the agency has expanded program eligibility to cover all inventory that could potentially be exported, reduced the program's fee structure, and temporarily increased the guarantee level.
- For more, [see EXIM fact sheet](#).

Supply Chain Financing Guarantee Program

- EXIM's existing Supply Chain Financing Guarantee Program enables suppliers to sell their accounts receivable to a lender to obtain early payment of invoices at a discounted rate while EXIM guarantees the lender's purchase of the accounts receivable. This helps suppliers obtain cash quickly (often at lower rates that reflect the credit of the buyer) and increase liquidity to fulfill new orders.

- In light of liquidity constraints in exporter supply chains, EXIM will continue to expand the program by relaxing its criteria and increasing its guarantee level.
- For more, [see EXIM fact sheet](#).

Bridge/Backstop Financing Program

- The Bridge/Backstop Financing Program was designed to provide an incentive to the borrower to refinance an EXIM-guaranteed loan with private-sector financing as soon as possible by permitting the borrower to recoup a portion of the exposure fee if the financing is prepaid.
- The program provides "bridge" financing in that EXIM will provide financing until private-sector financing is prepared to step in and refinance the EXIM-guaranteed loan, and it is "backstop" financing in that the exporter and the foreign buyer will know that the EXIM financing is available for the full repayment term, if necessary.
- For more, [see EXIM fact sheet](#).

Pre-Delivery/Pre-Export Financing Program

- American manufacturers of large-scale exports (e.g., aircraft, satellites, etc.) often rely on partial advance payments, known as "predelivery" payments, during production. However, their international customers may be unable to finance pre-export payments due to temporary liquidity problems caused by the COVID-19 pandemic, problems that ultimately threaten U.S. suppliers and their workers.
- To meet this ongoing challenge, EXIM will continue to temporarily expand its Pre-Export Payment Policy for a one-year term for transactions in which EXIM is not providing the long-term financing (such as turbines, locomotives, and

aircraft) to the international buyer and to manufacturing sectors whose international buyers have traditionally not participated but may be interested now due to a lack of commercial financing.

- For more, [see EXIM fact sheet](#).

ABOUT EXIM:

The Export-Import Bank of the United States (EXIM) is the nation's official export credit agency with the mission of supporting American jobs by facilitating U.S. exports. To advance American competitiveness and assist U.S. businesses as they compete for global sales, EXIM offers financing including [export credit insurance](#), [working capital guarantees](#), [loan guarantees](#), and [direct loans](#). As an independent federal agency, EXIM contributes to U.S. economic growth by supporting tens of thousands of jobs in exporting businesses and their supply chains across the United States. Since 1992, EXIM has generated more than \$9 billion for the U.S. Treasury for repayment of U.S. debt. Learn more at www.exim.gov.