

NEWS

EXIM Board Takes United Action in Response to COVID-19 to Support U.S. Exporters and Jobs with Unprecedented Financing Flexibility

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WASHINGTON – To bolster American businesses and workers and their families in response to the COVID-19 (coronavirus) global pandemic, the Export-Import Bank of the United States (EXIM) board of directors today underscored its strong support for new initiatives to inject liquidity into the market and give maximum financing flexibility to facilitate sales of U.S. goods and services abroad.

Specifically, EXIM's board of directors, through its unanimous [adoption of a resolution](http://web.archive.org/web/20200403222924/https://www.exim.gov/sites/default/files/board-meetings/2020_03_25-Board_Resolution-Final.pdf) (http://web.archive.org/web/20200403222924/https://www.exim.gov/sites/default/files/board-meetings/2020_03_25-Board_Resolution-Final.pdf) during an open board meeting with the public via teleconference, affirmed its support of the following temporary EXIM programs to provide relief to U.S. businesses their buyers, financial institutions, and American workers negatively impacted by COVID-19:

- Bridge Financing Program;
- Pre-Delivery / Pre-Export Financing Program;

- Supply Chain Financing Guarantee Program; and
- Working Capital Guarantee Program

“We are focused on helping our great American businesses—especially our nation’s small businesses—have the support and flexibility they require, meet their liquidity needs, and succeed as our nation and the world grapple with the unprecedented challenges brought on by the COVID-19 global pandemic,” said EXIM President and Chairman Kimberly A. Reed. “EXIM leadership and staff have engaged in robust outreach to U.S. exporters and lenders to understand how we can help in this time of uncertainty and need. Today’s actions are a direct result of those conversations.

“EXIM’s board of directors speaks with one voice in support of these measures and we are totally committed to the growth of U.S. exports and jobs,” Reed added. “When our economy is under stress, access to EXIM resources is critically needed. The flexibility and responsiveness embodied in these measures will provide relief to our customers. We encourage them to continue to engage with us and bring any challenges to our attention.”

The resolution expresses the board’s support for the four temporary relief measures and “recognizes the importance of continuing to explore additional temporary relief measures to fulfill the mission” of EXIM in response to the COVID-19 global pandemic.

“I am proud to join Chairman Reed and Director Pryor in support of these common-sense measures that will provide some relief to our fellow Americans when it’s needed most,” said EXIM Board Member Spencer Bachus III. “We are all committed to taking these actions to support U.S. exporters and workers at this vital moment in history.”

“Any timely action EXIM can take to provide relief to U.S. manufacturers, and businesses both large and small, may very well help keep American workers on the payroll,” said EXIM Board Member Judith D. Pryor. “These measures are designed to provide temporary relief to those businesses that have been and will continue to be, the engines of our economic growth.”

“Thank you to EXIM for taking the lead on producing such critical support during this emergency,” said Secretary of Commerce Wilbur Ross, an *ex officio* member of EXIM’s board of directors.

“Americans can be confident their Federal government, under the leadership of President Trump, is deeply committed to ensuring exporters, including small businesses, have the support

they need during this challenging time. As part of our whole-of-government approach, the Export-Import Bank is taking targeted action today by extending assistance and offering relief to its customers in response to the coronavirus pandemic,” said United States Trade Representative Robert Lighthizer, also an ex-officio member of the EXIM board.

More detail on each initiative follows below, with links to fact sheets with additional information:

Bridge Financing Program

- International customers need several billion dollars in temporary, short-term bridge financing to enable them to acquire U.S. goods and services.
- The Bridge Financing Program will enable exports to go forward through short-term (e.g., one year) financing of these U.S. exports until private sector liquidity returns.
- For more, [see EXIM fact sheet](http://web.archive.org/web/20200403222924/https://www.exim.gov/coronavirus-response/fact-sheet-exim-establishes-bridge-financing-program) (<http://web.archive.org/web/20200403222924/https://www.exim.gov/coronavirus-response/fact-sheet-exim-establishes-bridge-financing-program>).

Pre-Delivery / Pre-Export Financing Program

- American manufacturers of large-scale items (aircraft, satellites, etc.) often rely on partial, advance payments, or “progress delivery 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 crisis, problems that ultimately threaten U.S. workers and suppliers.
- To help meet this challenge EXIM will 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 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](http://web.archive.org/web/20200403222924/https://www.exim.gov/coronavirus-response/fact-sheet-exim-temporarily-expands-pre-export-payment-program) (<http://web.archive.org/web/20200403222924/https://www.exim.gov/coronavirus-response/fact-sheet-exim-temporarily-expands-pre-export-payment-program>).

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. However, the availability of existing commercial options combined with certain program features suppresses demand for the offering.
- In light of expected liquidity constraints in exporter supply chains, EXIM will expand the program by relaxing its criteria and increasing its guarantee level.
- For more, [see EXIM fact sheet](http://web.archive.org/web/20200403222924/https://www.exim.gov/coronavirus-response/fact-sheet-background-on-supply-chain-financing-guarantee-program) (<http://web.archive.org/web/20200403222924/https://www.exim.gov/coronavirus-response/fact-sheet-background-on-supply-chain-financing-guarantee-program>).

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. Recently many DA lenders expressed to EXIM the need for greater working capital financing support given the significant and growing liquidity pressure on suppliers and exporters.
- In response, EXIM will temporarily modify the program to make it more flexible. Specifically, the agency will expand program eligibility to cover all inventory that could potentially be exported, reduce the program's fee structure, and temporarily increase the guarantee level.
- For more, [see EXIM fact sheet](http://web.archive.org/web/20200403222924/https://www.exim.gov/coronavirus-response/fact-sheet-background-on-working-capital-guarantee-program) (<http://web.archive.org/web/20200403222924/https://www.exim.gov/coronavirus-response/fact-sheet-background-on-working-capital-guarantee-program>).

On March 12, [EXIM announced](http://web.archive.org/web/20200403222924/https://www.exim.gov/news/exim-extends-program-waivers-extensions-and-other-provisions-customers-and-lenders-amid-covid)

(<http://web.archive.org/web/20200403222924/https://www.exim.gov/news/exim-extends-program-waivers-extensions-and-other-provisions-customers-and-lenders-amid-covid>) initial relief measures—waivers, deadline extensions, streamlined processing, flexibility—for its

working capital loan guarantee and export credit insurance programs to its customers (primarily U.S. small businesses) for an [initial period of 30 days](http://web.archive.org/web/20200403222924/https://www.exim.gov/fact-sheet-exim-covid-19-assistance) (<http://web.archive.org/web/20200403222924/https://www.exim.gov/fact-sheet-exim-covid-19-assistance>).

ABOUT EXIM:

EXIM is an independent federal agency that promotes and supports American jobs by providing competitive and necessary export credit to support sales of U.S. goods and services to international buyers. A robust EXIM can level the global playing field for U.S. exporters when they compete against foreign companies that receive support from their governments. EXIM also contributes to U.S. economic growth by helping to create and sustain hundreds of thousands of jobs in exporting businesses and their supply chains across the United States. In recent years, approximately 90 percent of the total number of the agency's authorizations has directly supported small businesses. Since 1992, EXIM has generated more than \$9 billion for the U.S. Treasury for repayment of U.S. debt.

For more information about EXIM, please visit [www.exim.gov](http://web.archive.org/web/20200403222924/https://www.exim.gov/) (<http://web.archive.org/web/20200403222924/https://www.exim.gov/>).