

Good for Business: How Lenders Can Benefit From Ex-Im Bank Charter Extension

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BNA's Banking Report

Sean Purcell, a partner in the Vorys Washington, D.C. office and a member of the corporate group, authored an article for *BNA's Banking Report* titled "Good for Business: How Lenders Can Benefit From Ex-Im Bank Charter Extension." The article highlighted that the Export-Import Bank of the United States (Ex-Im Bank) was recently extended through June 30, 2015. Purcell says that lenders may wish to consider whether Ex-Im Bank programs could help generate additional business from existing customers and potentially attract new customers.

The article states:

"Ex-Im Bank provides risk mitigation tools to allow lenders to potentially expand their customer base and international reach, and offer additional trade-related services and products to existing customers. Ex-Im Bank supports lenders and U.S. exporters primarily through its loan guarantee and credit insurance programs.

Ex-Im Bank offers a number of complimentary products that address a wide variety of trade finance needs such as pre-export working capital credit facilities, short-term loans and facilities to finance the export of consumables and medium- and long-term loans to finance the purchase of capital goods and equipment. Ex-Im Bank provides comprehensive coverage of both commercial and political risks backed by the full faith and credit of the U.S. government. Lenders can obtain 100 percent coverage for loans under the medium- and long-term insurance and guarantee programs. Coverage for the other programs offered by Ex-Im Bank ranges from 90 percent (for working capital facilities and short-term financing of consumer goods) to 98 percent (for short-term financing of agricultural exports). Ex-Im Bank charges a risk-based fee for its insurance products and guarantees. The Ex-Im Bank fee, lender fees and lender expenses (including legal and consulting fees) can be financed and folded into the financial package offered to the borrower."

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