

**Webinar: Money Makes the World Go Round- Learn How Exporters Can Access Funds
February 20, 2020
2:00 pm EST**

Coordinator: Welcome and thank you for standing by. At this time, all participants are in a listen-only mode. Today's conference is being recorded. If you have any objections, you may disconnect at this time. Now, I will turn the meeting over to Wendy Peebles. Thank you. You may begin.

Wendy Peebles: Thank you, Operator. Good afternoon, everyone. My name is Wendy Peebles, Lead Outreach Coordinator, Census Bureau Economic Management Division.

With me today is (William Houck) with the Small Business Administration, Stephen Maroon from the Export/Import Bank of the United States, and special guest, Federico Manno, Vice President International Financial Group and employed by the Fulton Financial Corporation who will be discussing "Money Makes the World Go Round, Learn How Exporters Can Access Funds."

The Census Team is happy to collaborate with these two federal agencies and the Fulton Bank to provide you this webinar. I would like to thank everyone for joining today's webinar.

We have an informative webinar planned and I'd like to go over a few items before we start. The webinar is being recorded and for confidentiality reasons we ask that during the question and answer period that you provide only your first name and do not disclose your company's name or any other sensitive information.

You may submit your questions via the chat. So feel free to send your questions during the presentation today. The presenters will address as many questions as possible during the webinar.

The panelists contact information will be provided for further follow-up if you have questions following today. A few days following the webinar, the transcript, recording, and presentation will be posted to the Web site - to the Census Web site.

Now, let us review the agenda for today. We have a number of interesting topics. I will introduce the panelists shortly. We'll address summary of export financing, export credit insurance and the need for a lender following our Q&A.

If I may piggyback on the webinar description, it stated, businesses need money to make money. We are aware that it may be a challenge selling internationally.

The webinar today will feature experts from the Small Business Administration, Export/Import Bank and special guest from the Fulton Bank who can assist companies of varying sizes to obtain access to funds for global business expansion.

The presenters are happy to share their expertise and once again, I'm Wendy Peebles with the Census Bureau and we have (Bill Houck). I'll introduce the first speakers, (Bill Houck) and Federico Manno.

And just to give you a little background information on their experience, (Bill Houck) has 30 years international trade finance trade credit insurance and international corporate credit risk manage experience.

(Bill) is currently SBA's Office of International Trade Export Finance Manager for the Mid-Atlantic Region. He is based out of the Northern Virginia Export Assistance Center in Arlington, Virginia.

Our next speaker that you will hear from, our special guest from the Fulton Bank who is the vice president of the bank is Mr. (Manno) who is currently the Vice President of International Banking Group and employed by the Fulton Financial Corporation, which is a large regional bank with sophisticated international banking capabilities.

He employs SBA and EXIM Bank Export Working Capital Guarantees and Export Credit Insurance to mitigate commercial and political foreign receivables risk for commercial companies.

Foreign exchange payments and hedging future rate fluctuation risks is also another aspect of his work. Mr. (Manno) received a B.A. in political science from George Washington University and a master's in international affairs and Economics from George Washington University and an executive certificate in international business from George Washington University.

So now, we are ready to start the presentation and I'm going to hand it over to (Bill Houck).

(Bill Houck): Good afternoon. Good morning for those - anybody dialing in from the West Coast. Yes, (Bill Houck). I am the export finance manager for the Mid-Atlantic. I cover D.C., Virginia, West Virginia, Maryland.

There are 20 of me around the country; though, there's someone near you most likely. So I encourage folks to take note of my contact information and

email me for a personal introduction to any one of my colleagues around the country to get more personalized counseling on the programs we'll talk today.

So again, I encourage everybody to take note of our contact information and reach out to us so that you can find the resource closest to you.

I work out of the U.S. Export Assistance Center. There are about 100 of those around the country. We're co-located in about, I believe, around 9 where we're co-located with the U.S. Commercial Service -- which is the lead organization -- and the partner organizations are the Small Business Administration and the Export/Import Bank of the United States.

This slide it just kind of gives you an idea that as a company works with either, let's say, a state economic development office or the U.S. Export Assistance Center staff at the U.S. Commercial Service, companies typically find that a pursuing an overseas market will require maybe some change to their product or service.

It may require some, you know, change in labeling. They may find that they're told that their Web site is not optimized to the point to get the best search results.

So during those first conversations working capital come - can come into play. So this is just an overview of as a company pursues or expands exporting, there are financial resources available to them by the Small Business Administration and the Export/Import Bank to make that - to make the entry into those markets less financially cumbersome and much less risky.

So that's the reason why this slide is there just to show why we all work together at the U.S. Export Assistance Center because companies do find that

working capital risk mitigation comes into play shortly in the conversations that they have with the U.S. commercial service and, or a state economic development office. Next slide, please.

SBA has programs that essentially cover any export-related activity. The operative word is, "any." From that first economic development or - excuse me - that export development activity going back to my example of optimizing a Web site all the way to the point of adding new staff and expanding production capacity, SBA's Three Export Loan Guarantee Programs are there to help banks say yes to small businesses for financing, again, any export-related activity.

These are loan guarantees. People who need to understand if these - our guarantees apply to commercial bank loans either on a short-term basis under 12 months or on a term basis over 12 months.

You'll see here as far as 25 years terms for a commercial real estate. But these are - these - companies work with their bank. We encourage companies to introduce us to their bank first to get them trained on our programs so that they can provide the working capital needed.

If the company's bank is not in a position to offer an export-related loan, we have a laundry list of banks that can be contacted. Again, but these are commercial loans. The bank, it's a 90% guarantee from SBA.

In most cases you're working more closely with the bank than you are SBA. Starting with the Export Express Program, that is the most flexible - this is the most flexible program of the three because everything can be financed under the Export Express Program.

And that, again, emphasizing everything or any export-related activity can be funded under that program. Going back to the Web site, company needs to spend \$50,000 to optimize their Web site. Those - that - they can work with their bank to get the funds to do that.

If they need to change labeling, they - you know, they can use that program to fund the change in labeling or if it - if they need to travel overseas and they want to - they need to fund a month-long marketing trip, they can fund that.

Permanent working capital to hire people to come up with an export business plan to pursue a new market, you know, equipment financing, useful life of equipment can be funded under that program, and commercial real estate if you find that the company needs to expand its production capacity by either building out or buying a new facility.

That too can be funded under the Export Express. Accounts receivable, inventory, purchase order financing, bid bonding, advanced payment guarantees, you know, this is where I encourage folks to ask questions. I'm not going to go into detail in defining a lot of these terms.

So please ask questions. But absolutely everything can be funded under the Export Express for the lender. It's great because it's a delegated program and they don't involve SBA at all.

They process it just as they would any loan of similar size and term. So this is the one that probably applies to most businesses even if they've been exporting for a few years.

This is a program that will give them the most flexibility, but there are those times when a company will - once they're - once they have been exporting for

a while and you'll be hearing from EXIM Bank as far as the use of credit insurance, but using working capital in companies with credit insurance, companies will find that their export sales can, you know, on a sustained basis grow anywhere from 5 to 10% a year.

So the limits under the - the limited Export Express Program is the bank can - the bank's 90% guarantee stops at 350,000. Companies can see themselves graduate from that program pretty quickly. Again, if they're strategically using a combination of export working capital and credit insurance to boost export sales, that's the reason why we have our export working capital guarantee program so that the company can have a greater capacity to increase orders to do more per-store financing, bid bonds, advanced payment guarantees, single transactions or revolving lo.. line of credit for receivables and inventory.

It's there so that they have greater capacity to boost exports. That goes up to \$5 million. Again, I encourage people to ask questions as to how they need to use either the Export Express or the Export Working Capital Guarantee, but it's - but again, the two are going to provide companies with the - with an ability to boost capacity to go into foreign markets.

That's really the message I'm leaving with folks is that these are capacity builders for companies so that they don't have to worry about their working capital needs by going into the global markets, which is considerably larger than the U.S. market.

Over a period of time -- and I've got a company in Virginia who started with an Export Express loan that was about 13 years ago -- they had an annual sales of just around \$450,000 and 5 employees.

Thirteen years later, they are now at a \$3 million Export Working Capital Guarantee Program and they are at 19 million in revenue with 60% of those sales being exports and they have, I think, now over 30 employees and they are now looking at the international trade loan because they're on their second facility expansion (inaudible) their manufacturer.

So you can see that once they've used a combination, they do use credit insurance in combination with their \$3 million export working capital guarantee.

They have, again, seen sustainable revenue growth, considerable revenue growth over the last 13 years. That takes me to the international trade loan. This is a 90% guarantee. If people are familiar with SBA's regular 7A Program, the 7A is a guarantee for term loans for fixed assets, permanent working capital and commercial real estate.

For companies that are doing business internationally and have a very detailed export business plan, they can finance or refinance their facilities up to 25 years.

That facility does not have to be solely for export. For permanent working capital, again, they can hire folks that, again - those people do not have to be doing only export-related work. And equipment useful life.

So if the equipment is documented to have a useful life of 15 years, the bank (inaudible) consider 15-year financing for that equipment. That piece of equipment does not have to produce goods only for export. It - you - as long as the business plan identifies if - will help them pursue new markets or also fight foreign competition, then they can use international trade loans to

finance, again, equipment, permanent working capital and commercial real estate.

I've left people with a link to our export business planner. It's - I will admit I think it's a touch dated that I think needs to be updated, but that'll give you an idea of how to structure a business plan.

It's fairly lengthy, but it's really primarily a large source of resource material. So I encourage you to take a look at that. Export.gov also provides you with an export business plan tool.

That is it for me. I don't recall if we wanted to try to take questions now or wait until the end, but I encourage people to absorb some of this and ask as many questions as you can.

Wendy Peebles: Great. Thank you, (Bill). A lot of good information. We do have some questions that have come in via chat. The first one, any issues with firearms in terms of financing programs?

Bill Houck: Well, (Steve Maroon) will be taking about EXIM Bank. SBA, we do not have - we don't have any restrictions as to things that go boom for lack of a better term.

I have an exporter - I have a company that has a \$5 million export working capital guarantee to guarantee general dynamics for the purchase of munitions that are being sold to Saudi Arabia.

So we can certainly support the sale of firearms.

Wendy Peebles: Okay. Great. What is the difference between 75% guarantee and a 90% guarantee?

(Bill Houck): SBA's boiler plate or your kind of a bread and butter program, the 7A Program, that works for loans for domestic purposes. That carries a 75% guarantee.

So if it's a million dollar loan, the bank, it's a 75% guarantee. So they - you're looking at they're guaranteed up to \$750,000. ...so the math says if it's an export-related, you know, export express, export working capital or international trade loan, (inaudible) 90% guarantee, so the retention up for the bank is 10% and they get a 900,000 - they're guaranteed up to \$900,000.

Wendy Peebles: Okay. Great. I have another question here. If G.E. supplies an energy company in Romania, can the Romanian company apply for a long-term SBA loan?

(Bill Houck): I'm going to let (Steve) address that. SBA does not provide buyer credit. EXIM Bank does provide direct buyer coverage for the U.S. exporter and (Steve) can cover that, but our programs are for U.S. small businesses that are, you know, exporting goods or services predominantly for - on a short-term basis when it comes to the sale of a good or service to an overseas buyer.

We do obviously term loans, but for the financing of the business's assets in the United States.

Wendy Peebles: Okay. One follow-up question. The company wants to know they say they need a 50,000 loan for their company's Web site. Is that something that SBA will cover?

(Bill Houck): Yes, as I mentioned, the Export Express Program will - can support the funding of any export-related activity. So any export.

Wendy Peebles: Okay.

(Bill Houck): So just write down any and I challenge anybody to come up with an export activity that couldn't (inaudible) wouldn't qualify for bank funding under the Export Express (inaudible).

Wendy Peebles: Okay. Great. We have one more question that's coming through via the chat. Just hang loose. All good information. And remember to submit your questions via chat.

Okay. Next question. Can an international company get a loan that has been recently established in the USA?

(Bill Houck): So I attend the Select USA Conference ever year and that is where the states they draw companies from all over the world to making direct investment in the United States.

Our programs, the Export Express, the International Trade, they can be used; however, there are a lot of conditions that apply. The most basic is - if a company's coming to the United States, they need to have U.S. management in place.

One, they have to still qualify as a small business and I'm happy to provide that if people have any questions as to what qualifies as a small business. But they need to have U.S. management in place for at least a year and they need a U.S. citizen to provide the guarantor.

There's some other conditions which probably are a little more detailed than we need to go into, but it's possible, but there are a lot of conditions attached to it.

Wendy Peebles: Okay. Next question. What is the exporter's cost of a guarantee that SBA provides?

(Bill Houck): It all depends on the type. So there are guaranteed fees that the (inaudible) responsible for. I won't get into the tier - there's tiers of fees based on the amount in the term, but to give you an example for the export working capital guarantee -- which is typically a 12-month loan commitment -- that is .0025 times the guaranteed portion.

For a loan that goes - that's over a million dollars and is over a year in term, the guarantee fee is 3.75% of the guaranteed portion.

Wendy Peebles: Okay. (Bill), another question for you. Are loans only for U.S. companies? We also have a company from Latin America.

(Bill Houck): The loans, they have to be a U.S.-based for-profit company. So, you know, somebody from overseas looking to borrow money, if it the company's looking - if the company in Columbia is looking for a loan to purchase U.S. goods or services, that's where EXIM Bank comes in.

Wendy Peebles: Okay. Great. Okay. Good start to our panelists. Our next panelist Federico Manno. Are you available?

Federico Manno: Yes. Can you guys hear me?

Wendy Peebles: Yes, loud and clear.

Federico Manno: Perfect. Great. Great. A couple of things I'd like to add from what (Bill) mentioned earlier before I start my slide is that basically there are foreign subsidiaries or international companies that set up shop here in the U.S. and yes, you know, we - sometimes it is not - it could be a non-SBA type of loan or conventional type of financing.

We definitely take a look at that. My - I myself, I have nine foreign subsidiaries that I do business with, that lend money to. So definitely the discussion can be taken out, can be pursued at a later date or later time.

So basically, the lender, we are a commercial bank, Fulton Bank. As you heard today, basically what you have is a situation where the SBA and the EXIM Bank, they provide guarantees or they extend also guarantees to commercial lenders, to commercial banks and we, of course, when we get that credit risk mitigation taken care of, then we will be going - we'll - then we'll be approving extending working capital lines of credit, short-term working capital lines of credit for customers for exporters, borrowers and so forth.

The process is - does not take that long. Most of the time we do get delays because the information is incomplete, the information that we receive from the exporter is incomplete in terms of financials.

So documentation has to be very clean. The documentation I'm referring to would be the last two to three years of personal tax returns, last two, three years of company (inaudible) returns, financial statements like a balance sheet or a PNL and obviously personal financial statements as well because as you may be aware of the SBA and EXIM Bank with some exceptions, but most of the times they do require personal guarantees from the principals owners of

the company and the only way we're going to be able to do that is by looking at personal financial statements.

Some examples of accessing funds, obviously we do have exporters in the food business. Therefore, they would require financing as far as buying inventory, buy inventory at the source or, you know, in progress, in - or in transit, I should say, before they're shipped out of the country.

So purchase order, financing is fine. Contractual financing is fine as well where you present contracts. And what enables us to do the financing is that we do have a shop, like a trade finance operations group that basically monitor these lines of credit because as we know these are foreign receivables, foreign A.R. or foreign accounts receivables normally that discounted from the (inaudible) base meaning that we cannot lend money against foreign receivables because obviously we're looking at a sovereign risk, a foreign risk and therefore, you cannot lend money.

However, by bringing the SBA Loan Guarantee Program, by bringing in the EXIM Bank Loan Program or the EXIM Bank Insurance Coverage that we talked about or will be talking about more extensively later on, that gives us enough risk mitigation for us to lend money, to approve lines of credit to finance export sales transactions by basically adding debt collateral, the insurance itself, the policy itself, to the basket of collateral that we would consider in order to approve lines of credit to finance exports.

Some of the interesting things we've done in the past because it is kind of a misconception, if you will, but if you're a start-up company you cannot do business. You cannot establish a line of credit. We cannot give credit to the customer, to the exporter.

It's not necessarily true. We have to look at it on a case-by-case basis. We've had in routinely start-up new companies or companies where management is very strong that have been doing that industry, that have been working in that industry, they've been selling overseas for many, many years and are starting a new company.

So that to us has value as far as management skills. That brings value to the transaction, to the loan request because we know that we're dealing with people that are knowledgeable, that the skillset that they need to pursue a business like this, and all seriously obviously, you know, we're looking at foreign receivables. We're looking at insurance, perhaps a bit of a collateral bringing into the basket of collateral including export letters of credit and so forth where we make a more balanced decision as we look at different facets that come to the table in order to approve a line of credit.

I think in a nutshell that's what I wanted to describe unless you want me to go over some kind of success stories that we've done in the past. Obviously, the fact that we startup companies that we work with it is a success story because normally speaking it makes it more difficult to approve a line of credit that - of that nature.

But I welcome questions. I welcome assessments, anything that is - that we need to go - to do at this point.

Wendy Peebles: Okay. Great. Thank you, (Federico). All interesting...

Federico Manno: Thank you.

Wendy Peebles: ...information. I'm going to introduce our final panelist and then we will resume with questions. We have received a few more questions via the chat.

So please remember to continue submitting those. And (Federico), if we have time at the end we will come back to your success story, but I want to make sure...

Federico Manno: Sure.

Wendy Peebles: ...we get the final panelists in.

Federico Manno: Thank you.

Wendy Peebles: Okay. We have Stephen Maroon. Stephen Maroon serves as Director of Marketing at the Export-Import Bank of the United States. He is responsible for the strategic marketing initiatives of the agency including branding, building overall awareness and supporting staff.

(Steve's) prior work was marketing director of the Peace Corps. Brand Management with Proctor and Gamble and marketing consultant and communication services for Fortune 500 companies.

He is a former board member of the National American Marketing Association and earned a master's from Columbia University.

(Steve) has won numerous professional awards. Please welcome (Steve Maroon). Thank you.

Stephen Maroon: Thank you, Wendy. We really appreciate you and the Census Bureau for giving us this opportunity because EXIM needs to get the word out and inform exporters about the important products we have to assist exporters enter new and riskier markets, as well as, grow their international sales overall.

Just as a little background because a lot of people don't know who EXIM is. The agency is a - is the actual official export credit agency of the United States government.

Our mission is to basically support American jobs by facilitating the export of U.S. goods and services. I stress services because a lot of people don't realize we cover services.

In particular, we cover small businesses with over 90% of our transactions supporting small businesses and I want to stress here while I have the time -- and this is the same for SBA – that no deal is too small and we provide support in more than 180 countries.

So as (Bill) discussed with the SBA's Working Capital Program, I'm also going to discuss something that's very dear to everyone listening and that is money.

With 95% of the world's population outside of the United States, there's a vast opportunity for all U.S. companies to boost their revenue.

Sadly, we don't have many U.S. companies selling overseas and the figures are usually less than 2% of companies that are actually exporting. There's also - this opportunity is also limited because there's a problem of getting paid.

Research shows that exporters are frustrated regarding payment and it's the number one concern they have. When a buyer does not pay, there's little recourse for the seller and the financial hit can sometimes be significant, especially for a small company.

Consequently, many companies are wary of entering international markets let alone offering credit terms to their buyers like they do here in the United States. This is a serious issue and the reason why many U.S. companies resort to EXIM Bank's Export Credit Insurance.

EXIM's insurance is basically an insurance policy, similar to the one you have for your car or one for your home.

As you can see from the slide, EXIM's insurance has three major benefits. I'll give you an overview of the first two benefits and the third one is our key focus today and that is accessing funds.

EXIM's Export Credit Insurance protects foreign accounts receivables generated by the sale of U.S. goods and services to international customers. The nice thing about this policy is it covers up to 95% of your sales invoice against nonpayment whether it's due to commercial or political risk.

A commercial risk issue could be bankruptcy or some company just simply not paying. Political risks can be as extreme as war or even insurgency. You can get nonpayment protection for one buyer or your entire portfolio.

The nice thing about EXIM bank is you pay as you ship and the price can be as low as \$.55 on \$100. That's small change for giving you peace of mind and letting you sleep better at night.

The second benefit besides nonpayment protection is EXIM's Export Credit Insurance also improves your U.S. competitiveness in the world market. While many Americans resort to cash in advance or even credit cards to avoid nonpayment risk, most foreign competitors are able to offer open account

credit terms which is quite familiar in Europe and it's much more attractive to potential buyers.

Why is this so? It's all about cash flow. It often takes time to recoup their expenditures. Let's say, for example, they want to buy a piano from a company in Missouri and they have to pay in advance.

While the company in Missouri is making the piano may take a few months and another few weeks to ship it to the company in - the buyer in South Africa, the South African company has to have it - those ten pianos sit in their showroom for a few months.

So it could be three, six, nine months or even a year before they recoup the money they prepaid to the American exporter. So you can imagine they really would like terms.

And many buyers expect these terms and U.S. companies that are unable to extend credit to their buyers may lose out on valuable opportunities. EXIM's insurance allows companies to negotiate terms whether it's 30 days, 60 days or 90 days with foreign buyers.

Just to make things simple, when you go buy a washing machine from Sears, you're more likely to take out terms of 30 days to 6 months – they use it as a sales incentive as a lot of people do not want to dish out the cash up front.

So the second benefit's a very powerful marketing tool for all U.S. companies and sometimes can be your competitive edge that wins sales for your company.

Now, I come to the third benefit and why we're here today. EXIM's credit insurance is backed by the full faith and credit of the United States government, thus with little or no risk exporters can borrow money against these insured receivables.

Basically, you the exporter is using EXIM's insured foreign receivables as additional collateral. Your U.S. business can access cash now rather than wait weeks or even months to be paid.

You can use these funds to grow your business further or to pay for materials and labor to build more product. In summary, EXIM's export credit insurance allows your company to protect against foreign buyer nonpayment, offer open account credit terms to your buyers, and allow you to access funds.

Very similar, yet different than the SBA's Working Capital Program. We hope you'll use EXIM's Export Credit Insurance and increase your sales with confidence. Thank you.

Wendy Peebles: Okay. Great. Thank you to all the panelists and we received a few more questions that have come through. Let's see. This is for SBA. It says does a tourism agency qualify for a loan?

(Bill Houck): That depends. There may be a situation where a company is approached - a travel agency is approached by, let's say, a large Japanese company who needs for that travel agency to arrange lodging, transportation, what have you, and the travel agency is going to charge that Japanese company - invoice them for the work that they are doing for them.

So although the work is being done in the United States, they are potentially, you know, exporting those services to the Japanese company and invoicing that Japanese company for payment.

In that situation we could look at it. There are some gray areas as to tourism, but that's probably the easiest application for tourism.

Wendy Peebles: Okay. Next question. Can farm cooperatives apply for SBA programs?

(Bill Houck): We'd have to take a look at the cooperative, you know, financial statements, et cetera. The cooperatives have an unusual ownership structure. So we do require a personal guarantee.

So it's not an absolute no. I will be honest with you, I have not underwritten a co-op before, but it's not out of question.

Wendy Peebles: Okay. Next question. How does a U.S. company qualify any size or profit requirement?

(Bill Houck): Okay. Good question. I did want to give people an idea of what's defined as a small business. In general, the companies for manufacturers is 500 employees or less and then the alternative side standard is a company with no more than \$15 million in net worth.

And the last two fiscal years their net income can't be - can't average more than 5 million. The company doesn't have to be for-profit and it - again, it has to be domiciled. It has to be located in the United States.

Wendy Peebles: Okay. Question reads, "When you say, 'cover services,' does that mean you can finance a small service operation? For example, an all-service needs to do a 6-month self-financed technological test."

(Bill Houck): We can cover all services. EXIM Bank does insurance, can also be applied to services. The services could be done here in the United States as long they're billing an overseas entity for those services. They can be done here. They can be done overseas.

We do not have any foreign content restrictions. So they can actually - the contract - if the contract requires local labor to provide the services, that's allowed.

So yes, we can - we - as long as an overseas independent entity company is being invoiced by the U.S. service provider, yes, we can cover those.

Wendy Peebles: Okay. Great. And here's a question for EXIM. Can I combine EXIM insurance and SBA working capital loans?

Stephen Maroon: Great. That's an excellent question. It's really the one/two combination that really works. You can get the SBA working capital to cover your financing needs and you can get the EXIM insurance along with it and that would cover your foreign buyer payment protection, as well as allow you to offer open account credit terms to your buyers.

And one nice feature about getting both is you get a 25% discount on the cost of your EXIM export credit insurance when you have an SBA working capital loan.

So that's a nice feature and (Bill), would you like to add anything else to that comment?

(Bill Houck): Well, as I said, strategically using the - all the services of the U.S. Export Assistance Center, you know, having the commercial service find you new customers using EXIM Bank to qualify them for credit before you meet with those customers and speaking with your bank before you go overseas so that you have the largest amount of working capital available to you.

Those combinations strategically use, again - I'm not exaggerating. Companies can easily see sustainable revenue growth of 5 to 10% per year by using a combination of those three services.

Wendy Peebles: Okay. Can a U.S. company with research and innovation apply for an SBA loan?

(Bill Houck): If the - under the export express -- and I'm hoping I'm approaching this correctly -- under export express and the international trade loans (inaudible) can be used for R&D that is going to be - that is needed to go after a specific market or to make them export-ready.

One example would be there's a certain product standard in Europe. It's called the C.E. Mark. It's, like, I - so standards here, but that can be costly, \$100,000.

And so to bill that - to get that certification, you could - to approach the European market, you could fund that type of - the R&D and getting that certification to approach the European market.

You could fund that activity under the export express and the international trade loan.

Wendy Peebles: Okay. Great. At this time we are showing no further questions, so I'm going to ask that (Federico) come back and share his success story. I think all of our participants would be very interested in hearing a good success story.

Federico Manno: Yes, definitely. So we had a situation some years ago where we financed a company that had a contract with Saudi and the contract, you know, had - was very complicated because they had - it required, you know, not just advanced payments that were made for the contract, but also providing advanced payment guarantees.

There's something to think - some of these - well, this was discussed by (Bill Houck) earlier about the fact that the SBA had - does have the ability to provide, you know, standby levels of credit and advanced payment guarantees or sometimes they called also bank guarantees.

And this particular case we were able to do that, of course, and we're able to do that by working very closely not just with a customer, but also working very closely with his customer in Saudi and the bank to make sure that we're able to receive payments, collateralize the payments as needed, and making sure that we're able to each (inaudible) guarantees.

So - and that was all done under an SBA loan program. Along with that there was also an export letter of credit involved and which, of course, there was a - there was parts of the underlying contract of the required method of payment was the actual letter of credit itself.

They were able to, you know, secure and use that letter of credit as part of our collateral along with the SBA guarantee to - and actually we used - we also used additionality to that because the customer was strong enough to basically put together lines larger than the \$5 million limit that the SBA had.

And so all in sync, organizing it, you know, as far as making sure we got the payments, making sure that as we were blocking the line for the export LCs, we're able to make advances as well against the line, and taking care of the standby letter of credit was a well-coordinated effort.

And you can only do this not just by - by just selecting, you know, any financial institution, but someone that - some institution that will have a monitoring department, some that will have the ability to understand letters of credit, who have the ability to understand the SBA guarantee and its features, the ability to make sure that payments are coming in, controlled and then used for, you know, a variety of reasons, not just to pay down the line, but also used, you know - to basically making sure that borrowing-based certificates are well-kept in sync with the requirements of any bank.

We can do this. Was, you know - we can do this through specialized skills that we have and it can work. It can work, you know, not just for small companies, but also large companies and vice versa.

So make sure that when you pick a bank out there you interview them, you work with your local bank, you work with your local USEAC, U.S. Exporter Assistance Center, you work with the local rep from the SBA.

Normally, the SBA of officials, officers that work in the international SBA programs sit in the USEAC at all times or nearby. That's the U.S. Commercial Office.

And so that was a big success story for us, but we would not be able to do that unless we had full cooperation from other parties: The SBA, our internal folks, the buyers overseas, the sellers in the country, a (inaudible) coordinated effort that made the transaction very successful at every - you know, in every corner of every angle of the transaction itself. Any questions?

Wendy Peebles: Okay. Yes. Yes, a few more questions have come in. These questions are for EXIM. And the first one reads, "We are a U.S. software company that sells to a foreign government agency. Can I offer credit to a foreign government?"

Stephen Maroon: Good question. The nice thing about EXIM's services and products -- and I believe SBA's too -- is we cover both the private and public sector and we have - we've supported many insurance and even medium and long-term financing for foreign governments.

So yes, we do cover any sales short, medium or long-term to foreign governments.

Wendy Peebles: Okay. Next question. I am in the aviation business in San Francisco. Who do I contact to discuss our foreign buyers?

Stephen Maroon: Well, the nice thing about that is EXIM has an easy service, you know naturally you can go to Google and type SBA San Francisco or EXIM Bank San Francisco and find the local office, but speaking on behalf of EXIM Bank, you can dial the number 800-565-3946. That's 800-565-EXIM or 3946 and press 1 when you hear a message and it will connect you to the nearest EXIM office whether you live in New York, Florida, Texas or San Francisco.

(Bill Houck): Yes, this is (Bill). If these are inquiries that are coming off your Web site or inquiries where you're not - you've not done business with them yet or if you need to, you know, double-check or do a background check on a buyer that wants to do even more with you, the U.S. Export Assistance Center in - I believe it was San Francisco; was that where the person's from?

Wendy Peebles: Yes.

(Bill Houck): The U.S. commercial service they do ha...it's a paid service, but they can actually do a complete background check on that foreign company. The commercial service representative in the embassy of that country, they'll actually put together a complete background check.

They'll actually call on the company, do a financial analysis and give a full-blown background check. So that service is available through the U.S. commercial service.

Wendy Peebles: Okay. Great. And we have our federal government trade resource slide that is up now and if you have questions for the Census Bureau on how to identify new markets abroad, there's a link here for our international global market finder, as well as, U.S. trade online.

There's a toll-free call center international trade help line, 800-549-0595 and select the appropriate option.

We have find buyers and distributors from the U.S. commercial service. There is a link here. And from SBA, financing to fulfill sales orders and improve cash flow. The contact, Bill Houck, at SBA.gov or call 202-557-4063.

And last, but not least, we have the EXIM Bank minimizing nonpayment risk and offering open account credit terms and there's also a Web site here and for - to speak to someone specifically.

The contact information for Stephen Maroon at EXIM.gov is listed or you may reach him at 202-565-3901. Are there any final comments or tips from our panelists?

We still have about four minutes remaining. There are no additional questions in the queue. Any final comments?

Stephen Maroon: Yes, I'd like to say one thing. This is (Steve Maroon). I wanted to go in the export business in the 1990's and it was very difficult to find information as you can imagine without the internet, you know, invented then, but I remember going to the Empire State Building and trying to find some information and I didn't have much luck.

The key point here is there's tons of services and products out there to support the U.S. exporter. You're not alone. I know a lot of times people don't like any support from the government because they think of the IRS or something regarding rules and regulations, but we have many government agencies, I've heard up to 19 that are here to support you.

So use the services. If you have no idea where to start, start with export.gov and that's a good resource that will channel you to any agency... to a government agency that relates to your needs and problems and challenges.

So the services are out there. Please take the effort. There's a lot the government can do to go hand-in-hand and help you increase your overseas sales.

Federico Manno: Yes, I'd like to make a comment as well. Try not to all the exporters there and exporters the one - that's interested in exporting, please try not to fear. Please look at all the resources that we have because in the - I've been doing this for many years like (Bill).

We have a tendency as a U.S. company to be comfortable with U.S. domestic sales. That has actually reached plateau in many ways. And so the opportunities you will find are enormous - enormous in the world market because everyone else out there is exporting except us.

When you look at our GDP -- which is the largest GDP in the world -- our percentage of international involvement whether sales or more basically exports is dismal compared to countries like China, Germany, Japan and others. Dismal, okay? Something around 12, 13, maybe 14%.

Germany is more than 45% of the GDP is based on the exports volumes. We can do better than that. We can do much, much better than that and U.S.-made, it's an enormous prestigious brand, okay, in terms of technology, product knowledge that we can offer to world markets.

That's just a piece of advice because our progress so far on the export market has been kind of slow. We need to do much better than what we've done so far.

(Bill Houck): This is (Bill). The - you know, the only thing I will leave people with is you've got my email address there and there are - my colleagues are in every state or cover every state in the union.

So, you know, please email me if you'd like a personalized introduction to one of my colleagues for more in-depth counseling and training on our programs.

Wendy Peebles: Okay. Great. Once - great. Once again, I want to thank you all for your participation in today's webinar. Special thanks to (William Houck), the Small Business Administration, Stephen Maroon, EXIM Bank and special guest, Federico Manno, Fulton Bank. There were a number of takeaways to assist you in growing your business globally.

So once again, please utilize the resources that have been provided and be on the lookout for the material today, the transcript, presentation and video recording will be available in approximately one week and you can find that information at www.census.gov/foreign-trade. Again, www.census.gov/foreign-trade.

There are no additional questions. This completes the webinar for today and thank you for joining the webinar.