

Banks Providing Export Working Capital

When a U.S. exporter has an overseas order, even with a relatively secure method of payment such as a documentary letter of credit payable upon shipment, the company can still lack the working capital necessary to complete the transaction. Unfortunately, most banks are reluctant to assume the performance risk involved for an exporter--by meeting the terms and conditions of an overseas letter of credit, for example--before being paid. In order to reduce the lender's risk and encourage exports, the U.S. government, through both the U.S. Small Business Administration (SBA) and the Ex-Im Bank, provides a 90% guarantee to banks on working capital loans.

Loans are available for a single transaction, a bundle of transactions, or on a revolving line of credit basis. The SBA can provide a 90% guarantee on loans up to \$2 million with an Ex-Im Bank co-guarantee. The Ex-Im Bank has no upper limit. Loan maturities are generally for 12 months with an option for renewal. Qualifying businesses must have been in operation for at least one year, although not necessarily engaged in exporting. Loan proceeds are used to finance the production cycle (labor, inventory, and materials) and/or to finance foreign accounts receivable. Some banks that have expressed a willingness to assist firms with their export working capital needs are listed below.

Bank of Utah

711 South State Street
Salt Lake City, UT 84111
(801) 924-3604
www.bankofutah.com

HSBC/Wells Fargo Bank

100 W. Washington, 25th Floor
Phoenix, AZ 85003
(602) 378-1117
www.wellsfargo.com

JP Morgan Chase

201 S. Main St.
Salt Lake City, UT 84111
(602) 221-1364
www.jpmorganchase.com

U.S. Bank of Utah

International Division
15 West South Temple, Suite 600
Salt Lake City, UT 84101-1536
(208) 383-7600
www.usbank.com

Zions Bank

International Banking
1 South Main Street
Salt Lake City, UT 84111
(801) 594-8287
www.zionsbank.com