



U.S. Small Business
Administration



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Export Express Program

Presented By:

Josette Mueller

Lender Relations Specialist

Guam Branch Office

March 2021

AGENDA

- SBA's Role
- About the Program
- Core Requirements
- Loan Terms and Conditions
- Program Benefits and Resources

SBA's Role

- SBA provides a number of financial assistance programs for small businesses
- Help facilitate a loan for small businesses with a third-party lender as SBA does not make direct loans
- Sets the guidelines for loans which are made by its lending partners
- SBA guarantees that these loans will be repaid thus eliminating some of the risk to the lending partners

About the Program

The **Export Express Program** is a streamlined program that guarantees smaller dollar revolving lines of credit or term loans to support small business concerns wanting to develop or expand their export markets.

It offers many of the streamlined features of SBA Express while providing a higher guarantee to mitigate international credit risk.

Core Requirements

Eligibility for Export Express:

Any business that has been in operation, although not necessarily in exporting, for at least *12 full months* and can demonstrate that the loan proceeds will support its export development activity.

Core Requirements

To qualify for the program:

- Be an operating business
- Be organized for-profit business
- Doing business in the United States or its territories
- Product & services must be available to the general public
- must be a U.S. citizen or Legal Permanent Resident
- show *good* character
- have *good* credit

Core Requirements

To qualify for the program:

- Provide a complete written Business Plan
- Have repayment ability
- Must be *small* under SBA size requirements
- must be an eligible type of business
- Existing SBA loan(s) must be *current*
- Principals or associates must not have defaulted on *any* Federal loan

Core Requirements

Small business following SBA size standards:

- SBA assigns a size standard to each NAICS (North American Industry Classification System) Code:
 - Number of Employees
 - Three years average annual receipts
- SBA Size Standard Website: <https://www.sba.gov/federal-contracting/contracting-guide/size-standards> - determines whether your business qualifies as small
- SBA Size Standard Tool: <https://www.sba.gov/size-standards> - determines whether your small business qualifies for Government contracting purposes
- Factors Affect Size Standard:
 - Possible Affiliates
 - Primary Industry

Core Requirements

Types of Ineligible businesses:

- Non-profit business
- Financial business engaged in lending – banks, finance factors/companies, payday lenders
- Passive holders of real estate/personal property
- Real estate investments
- Life insurance companies
- Pyramid plans or multi-level sales distribution business (based on sales made by an ever-increasing number of participants)
- Any illegal activities (include marijuana-related business)
- Legal gambling activities

Core Requirements

Types of Ineligible businesses:

- Business located in a foreign country
- Business that restricts patronage
- Speculative business
- Government-owned entities
- Charitable, religious, or other non-profits
- Business engaged in SBA loan packaging
- Business engage in political or lobbying activities
- Business engaged in prurient sexual material or nature

Loan Terms and Conditions

- **Maximum Loan Amount:** \$500,000.00
- **Loan Purpose:**
 - fund participation in a foreign trade show
 - finance standby letters of credit
 - translate product literature for use in foreign markets
 - finance specific export orders
 - finance expansions, equipment purchases, and inventory or real estate acquisitions

Loan Terms and Conditions

- **Maximum SBA Guaranty Amounts and Percentages:**
Effective 12/27/2020 through 9/30/2021
 - **Loans \$350,000 or less:** 90% guaranty
 - Based on 90% guaranty, the maximum guaranty amount will be \$315,000 for \$350,000 loans
 - **Loans over \$350,000 up to \$500,000:** 75% guaranty
 - Based on 75% guaranty, the maximum guaranty amount will be \$375,000 for the maximum loan amount of \$500,000
- **SBA Guaranty Loan Fees – Temporary fee reductions** (Section 327 of Economic Aid Act) Lender and Borrower fees are waived

Loan Terms and Conditions

- **Loan maturities:** Based on the use of proceeds and the Borrower's ability to repay.
 - **Lines of Credit:** May not exceed 7 years inclusive of a term-out period
 - **Term Loans:** May not exceed the period of SBA guaranty commitment
 - **Working Capital or inventory** – must not exceed 10 years
 - **Real Estate (acquisition, rehabilitation, renovation or construction)** – must not exceed 25 years
 - **Leasehold Improvements** – must not exceed 10 years
 - **Mixed purpose (including change of ownership)** – may be up to 25 years

Loan Terms and Conditions

Interest Rates:

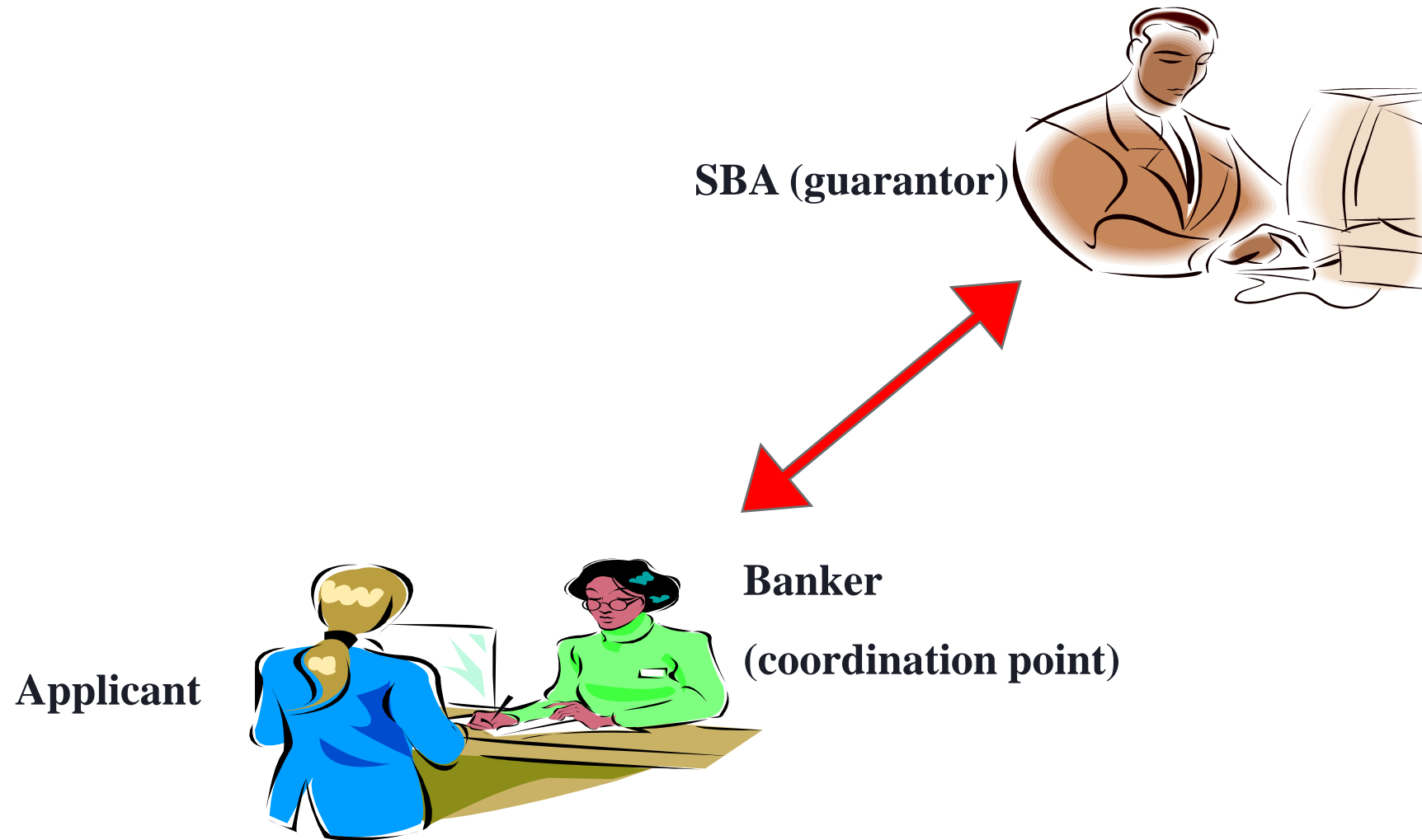
- Lenders and borrowers can negotiate the interest rate
- **Rates are tied to the prime rate** as published in the Wall Street Journal at www.wallstreetjournal.com – current Prime Rate is 3.25%
- **Maybe be fixed or variable, but not exceed SBA maximums**
 - **Loans of \$50,000 or less (all maturities):** cannot exceed Prime + 6.5%
 - **Loans over \$50,000 (all maturities):** cannot exceed Prime + 4.5%

Loan Terms and Conditions

Collateral: SBA's general policy requires guaranteed loans to be fully secured:

- **Loans \$25,000 or less:** No collateral required
- **Loans over \$25,000:** Lenders will use their existing collateral policies and may take all available collateral.
 - except for Export Express lines of credit over \$25,000 used to support the issuance of a standby letter of credit. The line of credit must have collateral (cash, cash equivalent or project) that will provide coverage for at least 25% of the issued standby letter of credit amount.

SBA Loan Process



SBA Export Express Participating Lenders

- ANZ Guam
- Bank of Guam
- Bank of Hawaii
- Coast360 Federal Credit Union
- First Hawaiian Bank



Plan your business

You've got a great idea. Now, make a plan to turn it into a great business.



Launch your business

Turn your business into a reality. Register, file, and start doing business.



Manage your business

Run your business like a boss. Master day-to-day operations and prepare for success.



Grow your business

When business is good, it's time to expand. Find new funding, locations, and customers.

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www.sba.gov/business-guide

Plan your business

Courses designed to help you research, plan, and turn your ideas into a great business.

www.sba.gov/learning-center



How to write a business plan

Learn the importance of business planning, the components of a business plan, and see sample plans and resources.

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Legal requirements

An overview of legal requirements for small businesses and how they can impact you.

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Financing options

An introduction to financing options for your small business.

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Export Express Program Benefits

- ✓ Fast approval process
- ✓ Streamlined, reduced documentation
- ✓ Easy-to-use line of credit
- ✓ Can be used for direct or indirect exporting

Questions



SBA Guam Branch Office

400 Route 8, Suite 302

Maite, Guam 96910

Office: (671) 472-7419

Direct: (671) 472-7244

Email: josette.mueller@sba.gov