

Small Business Exporters Need Working Capital

Solution: SBA Export Working Capital Program

Companies that strategically use exporting to fuel sustainable revenue growth will quickly discover that over time, exports sales will result in a large pool of both inventory and accounts receivable that need to be financed to prevent shortfalls in cash flow. **The Export Working Capital Program** is used to finance these pools of export assets.

Using SBA export loan guarantees, companies can work with their lender to arrange an asset-based line of credit or loan.

Benefit to Export Working Capital Guarantee Lenders

- 90% guarantee
- Funds single transactions OR multiple export orders on inventory and receivables (*up to \$5,000,000*)
- Maximum advance rates:
 - Up to 90% on foreign A/R
 - 75% on export-related inventory
 - 75% on export-related work-in-process
- Can advance against purchase orders up to 100% of borrower's cost to fulfill orders

To learn about SBA programs supporting U.S. small business exporters, contact an SBA office near you or visit [SBA.gov/InternationalTrade](https://www.sba.gov/InternationalTrade).



U.S. Small Business
Administration

[SBA.gov](https://www.sba.gov)

FOR LENDERS



Example

Company: Grocery products wholesaler in business 3 years; average annual sales \$2 million/year.

Order: Open account invoices to distributors in Asia of ~\$3.5M/year.

Asset-based Line of Credit

Foreign buyer provides: Letter of Credit

U.S. small business exporter provides: 60-day terms to distributors

Working Capital Need

Loan Amount: \$500,000

Use: Asset-based line of credit, 90% SBA guarantee

Term: 12 months

Collateral:

- Foreign accounts receivable: 85% advance rate
- Export inventory—65% advance rate

Benefit to Business Owner:

\$500,000 working capital available on revolving line to finance open account terms on international sales