



## Financial Programs and Resources for Exporters

The global COVID-19 pandemic has had an unprecedented impact on companies relying on international markets. Has your business had supply chain disruptions, including the shortage of components sourced from foreign manufacturers, cancelled overseas orders or contracts, significant decline of international sales, lost deposits because of trade show and other event cancellations? Are you struggling to make payroll and facing possible layoffs? You may be eligible for assistance from the U.S. Small Business Administration (SBA), The U.S. Department of the Treasury, The Export-Import Bank of the U.S. (EXIM Bank) and other government agencies. Depending on your needs, there are many financial programs available for businesses affected by the economic downturn as a result of COVID-19.

Are you looking for...

### Help with operating expenses as a result of your business being impacted by COVID-19?

[Economic Injury Disaster Loan \(EIDL\)](#) can provide assistance with that:

- Up to \$2 million available to cover operating expenses that could have been met had the disaster not occurred, starting February 1, 2020
- Must show that the business suffered economic injury as a result of COVID-19
- SBA will calculate the loan amount based on current liabilities and resources
- 12-month deferral of payments under current program
- Up to 30 years' repayment period with the rate of 3.75%

### A quick infusion of a smaller amount of cash to cover you right now?

You might want to look into an [Emergency Economic Injury Grant](#):

- Provide an emergency advance of up to \$10,000 to small businesses within three days of applying for an SBA Economic Injury Disaster Loan

- Does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.
- Available January 31, 2020 – December 31, 2020
- Request the grant when you apply for the Economic Injury Disaster Loan

Or you might want to apply for [Economic Bridge Loan Pilot Program](#)

- Up to \$25,000, maturity up to 7 years
- Emergency loan for disaster-related purposes to small businesses located in communities affected by the Presidential Emergency Disaster Declaration while those small businesses apply for long-term financing (including [EIDL](#))
- Loan proceeds must be used exclusively to support the survival and/or reopening of the small business in the area covered by the Presidential Emergency Disaster Declaration
- Can be approved through March 13, 2021
- Apply through an authorized SBA Express Lender

## Capital to cover the cost of retaining employees?

[Paycheck Protection Program](#) might be right for you:

- Up to \$10 million to cover payroll costs
- Generally, 250% of monthly payroll costs
- The loan term is for 2 years at an interest rate of 1%
- First payment deferred for 6 months
- Business should have been in operation on February 15, 2020
- Allows for loan forgiveness equal to payroll costs (including healthcare benefits) + mortgage costs + rent + utilities during the 8-week period starting on the origination date of the loan
- Business should apply through the lenders authorized by SBA.

## Assistance with payments on your current or potential SBA loan?

The [Small Business Debt Relief Program](#) could help:

- Provides immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans.
- SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months.

- Also available to new borrowers who take out loans within six months of the President signing the bill into law.

## **Financial relief if you do not qualify for small business loans under the SBA standards?**

You could take advantage of the Midsize Business Loan Program that, under CARES act, requires Treasury Secretary to ask the Federal Reserve to create a special direct loan program medium-sized businesses entities:

- Businesses and nonprofit organizations with between 500 and 10,000 employees are eligible.
- The interest rate on such loans would be capped at 2% per year
- Payments will be deferred for the first 6 months
- The business cannot be a debtor in a bankruptcy proceeding.
- Must certify that the uncertain economic conditions created by the COVID-19 pandemic make the loan necessary to support ongoing operations
- Loan proceeds should be used to bring the employment levels back to no less than 90% of the workforce as it existed on February 1, 2020, and to maintain such levels until September 30, 2020.
- The business is not allowed to outsource or offshore jobs until at least 2 years after the loan is repaid.
- The business will agree to the dividend, stock buyback, and executive compensation restrictions.
- More information will be available in the coming weeks as the Federal Reserve and the Treasury issue guidance regarding this program

## **Financial programs for exporters**

EXIM Bank has introduced several new programs and modified existing programs to provide relief to U.S. businesses during the COVID-19 pandemic:

### [Bridge Financing Program](#)

- Enables exports to go forward through short-term (e.g., one year) financing of these U.S. exports until private sector liquidity returns
- Available to foreign buyers of U.S. products
- In place through April 30, 2021

### [Pre-Delivery /Pre-Export Financing Program](#)

- Covers partial, advance payments, or "progress delivery payments," during production of capital goods
- Available to foreign buyers for pre-delivery or pre-export payments (owed to the manufacturer during the manufacturing of a capital good), for transactions in which EXIM is not providing the long-term financing to the foreign buyer, and to the U.S. manufacturers that have not traditionally participated, but may be interested now due to the lack of commercial financing.
- One-year term
- In place through April 30, 2021

### [Supply Chain Financing Guarantee Program](#)

- Enables suppliers to sell their accounts receivable to a lender to obtain early payment of invoices at a discounted rate, while EXIM guarantees the lender's purchase of the accounts receivable.
- EXIM will expand the program by relaxing its criteria and increasing its guarantee level.

### [Working Capital Guarantee Program](#)

- Facilitates loans from commercial lenders to creditworthy U.S. businesses that export over the term of the loan
- EXIM will temporarily expand program eligibility to cover all inventory that could potentially be exported, reduce the program's fee structure, and temporarily increase the guarantee level.

In addition, the following export finance programs are available from SBA:

### [Export Express](#)

- Up to \$500,000 loan or revolving credit line short-term financing
- SBA guarantee of 90% for loans of \$350,000 or less, 75% for loans more than \$350,000
- Apply through an SBA Express lender
- Proceeds can be used to enhance export development, including export-related operating expenses and capital equipment acquisitions, marketing activities, etc.

### [International Loan Program](#)

- Up to \$5 million long-term financing
- SBA guarantee of up to 90%
- For businesses that are expanding because of growing export sales, or that have been adversely affected by imports and need to modernize to meet foreign competition

- Proceeds can be used for fixed assets for construction, building, real estate equipment, and for working capital for export transactions.
- Loan maturity 10 years for permanent working capital, up to 10 years for machinery and equipment or the useful life of the equipment (not to exceed 15 years), and up to 25 years for real estate

### [Export Working Capital Guarantee](#)

- Up to \$5 million loan or revolving credit line
- SBA guarantee of up to 90%
- Working capital needs related to export, including financing for suppliers, inventory or production of export goods and services, support accounts receivable, financing for stand-by letters of credit used as bid or performance bonds or as down payment guarantees

### **Need guidance or support?**

The Massachusetts Export Center, part of the Massachusetts Small Business Development Center Network, can provide guidance to help exporters navigate applicable programs and apply. Our colleagues at the regional Small Business Development Center offices can help businesses to prepare their financial information and other supporting documentation prior to application.

To request assistance, please complete our [Request for Counseling](#) form and a member of our team will be in touch shortly.