

and Guarantee Programs

Medium-term insurance (181 days to 5 years)		Medium-term guarantees to U.S. commercial banks
Comprehensive (political and commercial) coverage	Political coverage alone	Comprehensive coverage
To enable exporters to extend credit by covering most of their risks through insurance, and enhancement thereby of their potential capacity to borrow from banks and other financial institutions, through assignment of the proceeds of the policy.	To enable exporters to extend credit by covering most of the political risks through insurance, and enhancement thereby of their potential capacity to borrow from banks and other financial institutions, through assignment of the proceeds of the policy.	To encourage banks to increase their nonrecourse financing to exporters. Also designed to facilitate the sale of export paper by commercial banks to other financial institutions.
(1) Commercial risks, i.e., insolvency and protracted default, and (2) political risks, i.e., currency inconvertibility, cancellation or restriction of import or export license, expropriation or confiscation, loss due to war, revolution, or civil disturbance, and certain others.	Political risks, i.e., currency inconvertibility, cancellation or restriction of import or export license, expropriation or confiscation, loss due to war, revolution, or civil disturbance, and certain others.	Eximbank guarantees political risks for early maturities and both commercial and political risks for later maturities. Commercial bank assumes commercial risk on early maturities. ⁷
U.S.-produced goods, generally equipment and other durables, sold abroad for dollars.	U.S.-produced goods, generally equipment and other durables, sold abroad for U.S. dollars.	U.S.-produced goods, generally equipment and other durables, sold abroad for dollars.
Single sale or revolving sales to a single buyer.	Single sale or revolving sales to a single buyer.	Single sale or revolving sales to a single buyer.
Up to 90 percent of financed portion of contract due to either commercial or political risks.	Up to 90 percent of financed portion of contract due to insured political risks.	Up to 90 percent of financed portion of contract.
The financed portion of each such transaction must be evidenced by a promissory note or series of notes, or in certain cases drafts, in a form prescribed by FCIA, payable in U.S. dollars, in the United States.	The financed portion of each such transaction must be evidenced by a promissory note or series of notes, or in certain cases drafts, in a form prescribed by FCIA, payable in U.S. dollars, in the United States.	The financed portion of each such transaction must be evidenced by a negotiable promissory note or series of notes, or in certain cases drafts, in a form prescribed by Eximbank, payable in U.S. dollars, in the United States.
Foreign buyer provides minimum of 10-percent cash payment; 20 percent required in more difficult markets.	Foreign buyer provides minimum 10-percent cash payment; 20 percent required in more difficult markets.	Foreign buyer provides minimum of 10-percent cash payment; 20 percent required in more difficult markets.
Credit terms customary for the goods in international trade up to 5 years.	Credit terms customary for the goods in international trade up to 5 years.	Credit terms customary for the goods in international trade up to 5 years.
Exporter provides complete description of transaction(s) and credit information relative to buyer(s) and proposed guarantor(s).	None.	Eximbank relies generally on credit judgment of commercial bank up to an established limit. Above that figure the commercial bank should supply Eximbank sufficient information to permit a judgment of the credit risks.
Yes, primarily for specially fabricated products, granted on merits of case.	Yes, primarily for specially fabricated products, granted on merits of case.	Yes, to exporters in connection with issuance of comprehensive guarantee to a bank. Available primarily for specially fabricated products, granted on merits of case.
Yes. ^a	Yes. ^a	Yes. ^a
Variable, according to destination and terms of payment. Costs normally vary from 0.46 percent to 5.88 percent of financed portion.	Variable according to destination and terms of payment. Costs normally vary from 0.35 percent to 4.42 percent of financed portion.	Variable, according to destination and terms of payment. Fees are roughly comparable to the insurance premiums under FCIA medium-term comprehensive policies.
Exporter.	Exporter.	U.S. commercial bank or other U.S. financial institution.
Through local insurance agent, broker, FCIA member company, or to FCIA itself.	Through local insurance agent, broker, FCIA member company, or to FCIA itself.	Exporter deals with his commercial bank which applies to Export-Import Bank.
Foreign Credit Insurance Association (FCIA), 250 Broadway, New York, N.Y. 10007.	Foreign Credit Insurance Association (FCIA), 250 Broadway, New York, N.Y. 10007.	Export-Import Bank of Washington, Washington, D.C. 20571.

antees or insurance, Eximbank will give to commercial bank or FCIA, prior to submission of a formal application, an advance political risk commitment on a particular country, good for 90 days.

^a These rates are not annual interest but rather flat rates applying to the full term of the insurance or guarantee. Charges for preshipment coverage and advance commitments are in addition to the costs outlined above. These rates, which were in effect as of January 1967, are subject to change.

⁷ Early maturities are defined as first half of the installments of a 1- to

3-year credit or the first 18 months of a 3- to 5-year credit (excluding the participation of the exporter). The later maturities are the remaining installments.

NOTE.—The requirements and conditions of the programs outlined above apply in typical situations but may vary depending upon country of destination.