 

**ELIGIBLE BORROWERS**
U.S. Export of Goods and Services[[1]](#footnote-1)

The most common loans applied for by the small and middle business are **$1 up to $5.MIL Me­dium-Term Line of Credits** (5 - 7 year loan life). There are restrictions in the term of the loans to the country of import only. No limitations in the loan amount.

Borrower (or its guarantor) must conform to certain standards for [creditworthiness](http://www.businessdictionary.com/definition/creditworthiness.html), which includes, but not limited to, the following financial criteria:

 [[for shorter use the Table below](#T)]

* **Borrower should be in the same general line of business at least 3 years.** If the bor­rower is a new recently established company, we can still arrange financing so long as there will be a creditworthy guarantor who meets the historical and financial criteria otherwise required of borrowers. These criteria are detailed below.
* **It must be able to provide** [**financial statement**](http://www.businessdictionary.com/definition/financial-statement.html)**s (tax reports) for last 3 years.** (It is generally re­quired that said Statements are to be audited and that auditor's option be quali­fied. Unaudited statements might be accepted if the loan amount is less than $1 mil­lion).
* For obligors with sales revenues of less that $50 million in last fiscal year, personal guarantee are required of individuals whit ownership interest of 20% or more.
* Any interim financial statements should not show any adverse change in finan­cial condition.

**Performance Criteria:**

* **Positive profit** from operations (operating income) and net income (total revenue) in each of last 2 years.
* **Positive cash flows** from operations in the last fiscal year.
* **Loan** does not exceed 40% of equity at end of last fiscal year.[[2]](#footnote-2)
* EBITIDA[[3]](#footnote-3) to Debt Service (DS) is at least:
EBITIDA / DS = 1.5 for the last fiscal year.
* **Total Liabilities** (excluding the discussed debt) do not exceed 1.75 equities at the end of the last fiscal year.

Other non-financial criteria are also required to the borrowers or guarantors such as audit statement, etc.

For your easy you can download Table in Excel format. [Click here](http://www.iic-london.co.uk/ctrl/practice/CrdtWorth.xls)

**We may consider approval without supplemental information**, if overall financial strengths adequately mitigate indicated weaknesses and/or uncertainties or if mitigating in­formation regarding indicated risk(s) is readily available and will not materially expand the scope of analysis.

IMPORTANT NOTE. If the borrower’s financial records don’t meet with the above-specified requirements and, therefore, he is not a creditworthy entity, a creditworthy sponsor is then certainly required. A sponsor is invited to guarantee the borrower’s Promissory Note (“PN”) [[see SPECIMEN](http://www.eec.us.com/fin/PROMISSORI%20NOTE.doc)].

The sponsor should be secured against the borrower’s fail to pay off the loan installments. They total the corpus (principal only), equal to the purchase price of the U.S. exported capital goods, and interests. The borrower stands for surety to the sponsor in form of [corporate bond](http://www.businessdictionary.com/definition/corporate-bond.html)s such as [convertible bond](http://www.businessdictionary.com/definition/convertible-bond.html)s or [collateral trust bond](http://www.businessdictionary.com/definition/collateral-trust-bond.html)s, based on a [bond indenture](http://www.businessdictionary.com/definition/bond-indenture.html). They include except the equipment subject of the export, which is delivered free of any liens with financial insurance policy by the Fed Insurance Company, but all borrower’s assets such as the land of the construction site, other equipment and properties, the local country expenses already made, etc. Hence, the borrower’s bonds are in total of par much higher than the PN guaranteed by the sponsor.

As ordinary, the sponsor may or may not record both its guarantee and the backed up debentures in its annual federal return.

The presumption of the creditor’s, U.S. state agency, about the borrower’s guarantee of project financing credit loan is to associate to the credit transaction an experienced in the business creditworthy company that will help, advice and supervise the borrower all the time, who is often a newly established for the project company. It is not known a case the U.S. Government to expropriate the borrower’s assets in order to recapture the extended loan.



If you use this material online take the opportunity to use the intra-text and letterhead interactive links.



Registered Address: NRAI, 1090 Vermont, N.W. Suite 910, Washington, DC, 20005, U.S.A., EIN: 26-2430773 ph. +1- 800-767-1553

Business Office: 5 Winter Pl., Melrose - Boston MA 02176, U.S.A. ph. 1-857-222-0292 ein: 26-2430773

Compliance Office: 20 F. Kanitc St., Sofia 1606, Bulgaria, EU, ph/***e***fax. +359-2-852-4564, cell: +359-888-69 07 96

e-mail: usa@iic-london.co.uk.

1. These requirements refer to a local country partner where **eec** contracts investment of own/syndicated funds. [↑](#footnote-ref-1)
2. This is the only criteria related to loan amounts up to $10.MIO. [↑](#footnote-ref-2)
3. **EBITDA** - Earning Before Interest, Taxes, Depreciation & Amortization [↑](#footnote-ref-3)