



Breaking Borders
without **Breaking the Bank:**
The United States Exporter's Guide to
Short-Term International Trade Finance

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Introduction

Breaking Borders without Breaking the Bank is the United States exporter's official guide to getting paid when extending credit to international customers.

About Us

Drake Finance is a leading international trade finance lender headquartered in Miami, Florida and serving United States exporters nationwide. We're an Approved Lender of the Export-Import Bank of the United States (Ex-Im Bank), the United States' official export credit agency. Since 2000, we've helped transform the nature and profitability of international sales for hundreds of exporters in the United States through export finance.

Our mission is to provide United States exporters with the necessary capital and expertise to realize the most difficult, demanding and otherwise, delicate of deals.

Our executive team of international bankers and lawyers boasts over a century of international trade finance experience and our Managing Principal, Richard H. Lopez, Esq. is both a Board-Certified International Lawyer and an expert on Ex-Im Bank products. We leverage these talents and our resources to deliver responsive, innovative and real financial solutions for United States exporters.

The National Export Initiative (NEI)

In 2010, President Barack Obama announced the National Export Initiative (NEI) in his State of the Union address. The executive order called to double United States exports in order to create jobs, fuel economic growth, and empower smaller exporters to expand their global reach.

NEI pulls together the resources of various agencies including the Small Business Administration (SBA), the United States Commercial Service (USCS), and the Export-Import Bank of the United States (Ex-Im Bank) to increase American competitiveness and support the export of products and services made in the United States.

Since its launch, United States exports have increased substantially. Export growth has averaged 11.9% per year and based on that, projections for total exports at the end of this year would be closer to \$2.77 trillion— \$390 billion less than the NEI’s ambitious \$3.14 trillion target goal.

Even falling short of its target, the NEI’s contribution to export growth is undeniable. Nearly 10 million jobs in the United States are now supported by exports— that’s a 1.3 million increase since 2009.

The Export-Import Bank of the United States (Ex-Im Bank)

The United States' official export credit agency is the Export-Import Bank of the United States (Ex-Im Bank). Their mission is to support the export of U.S. goods and services internationally through a variety of mechanisms which include loan guarantees, working capital guarantees, direct loans, and export credit insurance.

- Through Ex-Im Bank's **Medium-Term Program**, Drake Finance is able to finance U.S. cross-border equipment export sales for U.S. exporters' international customers.
- Through Ex-Im Bank's **FIBC Program**, Drake Finance is able to finance U.S. bulk agricultural grain export sales for U.S. exporters' international customers.
- Through Ex-Im Bank's **Export Credit Insurance**, Drake Finance is able to finance U.S. exporters' foreign receivables, allowing exporters to extend credit terms to their buyers while protecting exporters against buyer nonpayment.

Ex-Im Bank is a vital resource for American companies selling overseas and particularly those exporting to emerging or volatile markets. Ex-Im Bank assumes credit and country risks that the private sector cannot or will not take on. Lenders, like Drake Finance, are able to finance U.S. export sales that are either insured or guaranteed through Ex-Im Bank, making it easier for U.S. exporters to provide international customers with extended payment terms while getting paid upon shipment.

Ex-Im Bank is a self-sustaining government agency, which means it doesn't cost taxpayers anything. On the contrary, in FY 2013, Ex-Im Bank returned over \$1 billion to the United States Treasury. Over the past five years, Ex-Im Bank has helped create or sustain 1.2 million export-related jobs in the United States. Altogether, Ex-Im Bank has supported over \$456 billion worth of U.S. exports since its inception in 1934.

Export Finance Eligibility

While several types of export finance are available through Drake Finance, this guide will walk you through our Export Receivable Financing program. It's a short-term financing program that's available to all kinds of United States exporters nationwide. This program allows United States exporters to extend credit terms of anywhere from 30 to 180 days to foreign buyers in over 200 countries worldwide.

Exporter Requirements

First, let's go over what requirements exporters must meet in order to be eligible for our Export Receivable Financing program.

1. Exporter must be based in the United States.
2. Export product must be at least 51% made in the United States.
3. Exporter must have at least 3 years of operational experience and at least 1 year of exporting experience.
4. Exporter must be able to provide a signed copy of last year's tax return and 2 years company-prepared financial statements, reflecting positive net worth for at least the last fiscal year.
5. Exporter must be able to provide a supplier and/or bank reference letter.
6. Exporter's credit report for the principal owner of the business must be in good standing.
7. Exporter's D&B credit report for the company must be in good standing.

If you have questions about whether you qualify, call us at (305) 854-0101 and speak with our team of international trade finance experts. We'll let you know if you qualify and if you don't, we'll let you know what steps you can take to become eligible. Export finance is available to all United States exporters across a variety of industries.

Step 1: Applying for Export Credit Insurance

If you qualify, the first step is applying for export credit insurance from Ex-Im Bank. All it takes is 30 minutes of your time and a member of our staff will walk you through the process.

Before you apply, please email us a copy of the following to info@drakefinance.com:

- Last 2 years company-prepared financial statements.
- A signed copy of last year's corporate tax return.

When we've gone over your financials and you're ready to apply, here's what you'll need to have handy:

- DUNS#
- NAICS# (optional)
- An estimation of export credit sales for the last fiscal year.
- Contact information for at least two foreign buyers.

Visit Ex-Im Bank's website, **Ex-Im Online**, at <https://eximonline.exim.gov/> and give us a call at (305) 854-0101 and a member of our staff will go through the application process with you to ensure the highest level of accuracy and the fastest processing time.



Ex-Im Online
Assisting Export Financing

Welcome to Ex-Im Online

Already a user? Please sign in.

User Id:

Password:

Login

Approval from Ex-Im Bank averages about 15 days, depending on the time it takes to gather all required information.

Export Credit Insurance

Once you've been approved for an export credit insurance policy from Ex-Im Bank, you are automatically approved for a facility, or line of credit, from Drake Finance. The amount for which your policy is approved is the amount which will be available to finance U.S. export sales. For example, if you are approved for a \$500,000 export credit insurance policy from Ex-Im Bank, then you are automatically approved for a \$500,000 export credit facility from Drake Finance.

Export credit insurance from Ex-Im Bank covers commercial risks (such as, foreign buyer insolvency, bankruptcy, or protracted defaults/slow payment) and political risks (such as, riots, revolution, war and terrorism) that could result in non-payment.

As with any insurance policy, United States exporters are required to pay an insurance premium; however, exporters pay as they ship. In other words, an exporter only pays its premium when it ships using its policy.

Benefits of Export Credit Insurance

When extending credit terms to new and existing international customers, export credit insurance helps protect United States exporters against non-payment due to commercial or political risk.

- Exporter risk is reduced by 95% against foreign buyer non-payment.
- Cash flow increases because exporters are able to offer superior credit terms to international customers while still getting paid upon shipment from Drake Finance.
- Sales increase from being able to offer industry-best repayment terms, even if it's a first-time sale in a new market.

Step 2: Qualifying International Customers

The next step you'll need to take once you have both (1.) an export credit insurance from Ex-Im Bank and (2.) an export credit facility from Drake Finance, is to start approving your international customers for financing terms and limits. Our team will help you gather all required documentation for Ex-Im Bank's review.

Through **Ex-Im Online**, exporters can apply for a Special Buyer Credit Limit (SBCL) for each foreign buyer that's interested in financing. Ex-Im Bank's underwriters will qualify your foreign buyers for an SBCL and once approved, the buyer's credit limit and terms will be endorsed to your policy until its renewal.

When applying for an SBCL, Ex-Im Bank will automatically run a credit report on your international customers. Additional documentation may be necessary, depending on the size of the limit and terms requested.

Credit & Financial Information Requirements

Up to \$50,000:	Credit Agency Report or Trade Reference
\$50,001 to \$100,000:	Credit Agency Report and Trade Reference
\$100,001 to \$300,000:	Credit Agency Report and 2 Trade References
\$300,001 to \$1million:	The Buyer's audited or signed unaudited financial statements for the last 2 fiscal years may be substituted for the trade references. Credit Agency Report and 2 Trade References and the Buyer's audited or signed unaudited financial statements for the last 2 fiscal years with notes.
Over \$1 million:	Credit Agency Report and 2 Trade References and a Bank Reference and the Buyer's audited or signed unaudited financial statements for the last 3 fiscal years with notes.

Financing Export Transactions

With export credit insurance from Ex-Im Bank and an export credit facility from Drake Finance, United States exporters can begin financing their export transactions. Through our **Export Receivable Financing** program, exporters have the freedom to finance all or just a portion of export transactions.

Financing export transactions with Drake Finance means exporters are able to extend credit terms of up to 180 days to credit-worthy international customers and still get paid upon shipment.

Drake Finance pays exporters up to 90% of the amount invoiced to international customers within 48 hours of processing shipment documents. The remaining 10% is paid to the exporter once the international customer has paid off the invoice in full.

Advantages to Financing Export Transactions

A facility from Drake Finance is available to qualified exporters **without** requiring personal guarantees from company shareholders and **without** requiring a blanket lien on the company's assets.

- Exporters are free to finance an entire export invoice or just a portion of it.
- Exporters are able to extend more aggressive credit terms than competitors, up to 180 days, at the exporter's discretion.
- Exporters are paid nearly in full upon shipment, improving cash flow and the rate at which exporters are able to reinvest in company growth.

What International Customers Love

- Improved cash flow since importers are able to make payments over time, typically, once a profit has been made.
- The cost of financing is less expensive than local financing, which may be more subject to restrictions.
- Drake Finance can communicate with international customers in their language, easing the financing and collections process for all parties involved.

How Export Finance Works

Let's say you have an \$80,000 purchase order from a customer in Chile for a small-ticket item. Your customer is asking for credit terms until they are able to re-sell the product, which is typically 60 to 90 days later. You've never sold on credit to this company before and frankly, you don't want to be exposed \$80,000 should the deal go bad. *What do you do?*

With export credit insurance from Exim Bank, for example, your exposure goes from being out \$80,000 to just \$4,000, should the deal go bad (95% coverage). That's the power of Ex-Im Bank.

With Drake Finance as your export lender, not only do you mitigate your risk but you give your company access to immediate working capital and to its own external export credit department (we speak to your customers in their language and are available to coordinate financing and/or collections)— all while satisfying international customers with open account payment terms. It's a win-win situation for all parties involved. That's the power of Drake.

Benefits to the Exporter

With risk protection from the United States' official export credit agency, Ex-Im Bank, and with financing from a trusted international trade finance lender, Drake Finance, United States exporters can:

- Shorten the payment collection cycle.
- Manage a more predictable cash flow cycle.
- Increase sales, using financing as a sales tool.
- Expand into new markets with confidence.
- Fill larger purchase orders in less time.
- Reinvest in company growth.

Step 3: Submitting Financing Requests

At Drake Finance, we make it simple for exporters to submit export transactions for financing. If you have questions about whether a specific transaction can be financed, call us and we'll discuss your options.

Once you have (1.) an export credit insurance policy from Ex-Im Bank, (2.) an export credit facility from Drake Finance, and (3.) your foreign buyers approved under an SBCL, you can begin submitting financing requests.

When you become a Drake Finance client, you'll receive a **Shipment Documents** packet with important information regarding the shipment documents you'll be required to submit when requesting payment on an export transaction. The documents are, as follows: (1.) the commercial invoice, (2.) purchase order, (3.) bill of lading, and (4.) proof that the export credit insurance premium was paid in full.

Please pay attention to these requirements, as satisfying them will ensure the fastest possible processing time as well as compliance with your Ex-Im Bank export credit insurance policy, should it ever go to Claims.

Passing On Export Financing Fees

United States exporters typically pass on the costs associated with export finance to international customers that are pleased to pay a little more for the extra time.

Exporters can add on the cost of financing using the following structure:

- When paying with cash, international customers pay the regular price for the product;
- When requesting financing, international customers pay an inflated price for the product, taking into account the cost of financing.

Additionally, exporters can choose to absorb the price of financing when using it as a sales and marketing tool, taking into account the value added when securing new accounts and servicing existing ones.

Customer Testimonials

Choosing the right strategic partner for trade finance means trusting they have more than just money in mind. A successful business relationship relies on value. Drake Finance is committed to the highest level of client service and satisfaction. We believe in empowering our clients through our programs and services because ultimately, their success is our success. When we support United States exports, it positively impacts our economy, the communities of our exporters here in the U.S. and the communities our exports reach abroad.

We value our clients. Here's what our clients value about Drake Finance:

“Drake Finance was recommended to us by US Exim Bank as a lender with experience in Africa, and true to form, they responded positively to our demand for short-term financing. I believe ours will be a business marriage set for the long haul that will stand the test of time. — C. Ossa

“Business has always been good, but with the Export Receivables Financing Program, you can offer your credit worthy customers better terms. Plus, you have the peace of mind of knowing your receivables are insured by Ex-Im Bank. Drake Finance is fast, efficient and personable.” –P. Blasser

“Getting working capital back into your company is a big benefit, especially as a manufacturer. With Drake Finance, our business was up 18% from last year. ” –P. Blasser

“Our company's huge, so we were doing good. Through the Export Receivables Financing Program, our sales have improved. The boss is a lot happier. We're more attractive to our customers now. We're doing great! Drake Finance is convenient, resourceful and profitable to our business.” –N. Hinojosa

“Business was fine but with the Export Receivables Financing Program, our sales have improved. We're able to finance our international customers now. Drake Finance is fantastic!” –C. Smith

“The Export Receivables Financing Program has helped us a lot especially being able to turn around and put money back into our products. It has helped grow our international business tremendously. It's been a pleasure and we're going to continue using the Export Receivables Financing Program. Drake Finance is reliable, efficient, and thorough.” –L. Evans



“I am writing to recommend Richard Lopez (Drake Finance). He has been working with us for the past three years as our lender with the Export-Import Bank of the United States. His knowledge and attention to detail have helped keep our company on track. I feel confident in recommending Richard Lopez & Drake Finance. He is not only thorough, but also easy to work with, and always willing to take the time to discuss my concerns and respond to questions.” –R. De La Vina

“Impressive company, very reliable and excellent customer service.” –G. Rozenblat

“Richard is an extremely well balanced financial/legal manager. His legal background combined with his well versed financial knowledge yields excellent results to us, his clients. We obtain Export-Import loans from his firm, Drake Finance, and receive professional service and fluidity in the transaction process. I highly recommend Richard Lopez.” –R. Sequera

“Without these programs, we wouldn’t be where we are today. Our sales have increased and we’re able to extend credit to export accounts that we wouldn’t normally extend credit to. Drake Finance is beneficial and easy to work with.” –T. Benoist

“As a small-business owner, Drake Finance makes us feel special.” –A. Hua



Advance Your Business

There's never been more opportunity to do business internationally. With over 100 years of combined international trade finance experience, Drake Finance continues to streamline its export financing programs and processes in order to better assist U.S. exporters and international buyers of products made in the United States. We provide the resources for United States exporters to effectively grow their businesses and build lasting trade relationships around the world.

Savvy business owners understand the importance of liquidity in business- both theirs and their customer's. Maintaining steady cash flow allows for your exporting business to operate smoothly. When you have the money to purchase your supplies, fill demanding purchase orders, market more aggressively, competitively compensate and retain quality workers as well as hire and train new staff, you have the power to grow and reinvest in your company's future.

When you extend credit terms to your international customers, you are providing them not just with additional time, but with additional funds. They can make other, arguably better uses of their company's funds until they are able to re-sell and turn a profit on the product they are purchasing from you, typically 60 to 90 days once a shipment has been received.

United States exporters stand out when they're able to extend aggressive credit terms to international customers. When you extend credit to international customers, it tells them you value and trust the business relationship. You shouldn't have to increase your exposure and compromise your own working capital to accomplish this. With Drake Finance, there's a better way.

Backing your business with the right financial tools sets you up for success. Drake Finance has several financing options for U.S. exporters and international buyers of U.S. product. We advance the funds that advance your business.

Questions?

Call us at (305) 854-0101 and discuss your options with an expert. For immediate financing consideration, please visit: <http://www.drakefinance.com/application> and submit your online application today. We'll respond to you within 1 business day and walk you through the next steps you'll need to take to start growing your business internationally.

Managing Partners

The principals of Drake Finance, Richard H. Lopez, Esq. and Maria T. Currier, Esq., are both U.S.-trained attorneys that have lived and worked overseas. Both have advised U.S. and foreign companies on matters relating to trade finance, company formation, commercial transactions, and corporate finance.

Richard H. Lopez, Esq.

Managing Principal, Board-Certified International Lawyer

In addition to practicing law, Richard Lopez is the Managing Principal of Drake Finance, an approved Direct Guaranteed Lender of the Export-Import Bank of the United States (Ex-Im Bank).

Richard served as the Director of Enterprise Florida (Florida Department of Commerce) and Special Projects Advisor to the Venezuelan-American Chamber of Commerce and Industry in Caracas, Venezuela. In this position, he was responsible for developing trade and investment opportunities between Florida and Venezuela.

Richard was also an international legal consultant during his stint in Latin America and worked for law firms in Brussels, Belgium, Lisbon, Portugal and London, England.

Richard completed his Bachelor of Arts in International Relations at Florida International University and speaks Spanish, French, and Portuguese fluently. He earned a Master of International Management from Thunderbird, The School of Global Management.

While attending Thunderbird, Richard completed a semester program at la Universidad Autonoma de Guadalajara. An avid learner, he also earned a Master of Arts in International Studies from the University of Miami. He holds a Juris Doctor from Touro College, Jacob D. Fuchsberg Law Center, with semester programs at the University of Miami School of Law and the University of Detroit School of Law (London Program).

Richard is a member of the Florida Bar and the District of Columbia Bar. He is admitted before the United States District Court for the Southern District of Florida and the United States District Court for the District of Columbia. Richard is a Board Certified International Lawyer and a licensed and registered export credit and political risk insurance broker with the Export-Import Bank of the United States (Ex-Im Bank).

Maria T. Currier, Esq.
Principal and Legal Counsel

Maria Currier is an AV rated attorney and is featured as one of Florida Super Lawyers Top 50 Florida Women Lawyers. Maria's practice focuses on corporate mergers and acquisitions, joint ventures, corporate finance, and international cross-border transactions. She has represented clients in the healthcare sector and technology companies, from start-ups to Fortune 500 companies.

Maria is a partner at the international law firm of Holland & Knight LLP. Prior to that position, Maria was a partner at Hunton & Williams, LLP, and before that Maria served as the U.S. Resident Partner for the Caracas office of the international law firm of Steel Hector & Davis LLP.

Maria is fluent in Spanish and holds a Bachelor of Science in Nursing from St. Louis University, a Master of Science in Nursing from the University of Miami, and a Juris Doctor from the University of Miami School of Law. She has authored numerous articles relating to corporate and health care issues. She is a member of the Florida Bar and is certified in health law.

Executive Team

Robert K. Sloan
Director of Trade Finance

With over 35 years in the field of international trade finance, Bob Sloan has extensive senior management expertise in global marketing and new business development. He is considered a trade finance expert with vast experience in negotiating financial agreements, as well as having vast knowledge of letters of credit and all trade finance products.

Prior to his position at Drake Finance, Bob was with Australian New Zealand Bank as First Vice President in New York City. He has also held senior management positions with Barclays Bank, Dow, and Ingersoll Rand.

Bob has a strong background in international and domestic banking, credit, portfolio management, trend/economic analyses, trade and project finance, as well as contracts. He is an exemplary manager adept at hiring, training and developing staff, and overseeing effective work-teams. He has a successful track record of developing and enhancing client relationships with positive bottom-line impact.

Bob earned his B.A. in Mathematics at Fairleigh Dickinson University in Madison, New Jersey. He then completed his graduate studies in Business and Finance at the C.W. Post College in Brookville, New York. He completed additional coursework in Domestic and International Finance, Banking, and Credit.

Bob is a licensed and registered export credit and political risk insurance broker with the Export-Import Bank of the United States (Ex-Im Bank).

George Nunaihed

Chief Credit Officer

Joining the team in 2013, George Nunaihed is the latest addition to Drake Finance. George is fluent in Spanish and earned his B.B.A. in Finance and International Business at Florida International University in Miami, Florida. He has over a decade of experience in trade finance, corporate finance, credit underwriting, loan administration, portfolio management and business development.

As Chief Credit Officer, he is responsible for evaluating credit and the financial position of applicants for export-related loans as well as communicating with clients at all stages of the financing process.

Carolina Arevalo

Portfolio Operations Manager

Carolina Arevalo joined Drake Finance in late 2011, and has been vital in strengthening client relationships and expanding our portfolio through continued exceptional client service and impeccable portfolio management.

Carolina earned her B.A. in Economics from the University of Miami, focusing on International Trade and Finance. She speaks English and Spanish fluently and practices Mandarin in her spare time. She is a member of the World Trade Center Fort Lauderdale and the Organization for Women in International Trade (OWIT).

Nelly Sanchez

Marketing Manager

Nelly Sanchez joined Drake Finance in late 2011, focusing on brand formation and recognition. Her marketing efforts have been pivotal in establishing Drake Finance's local and global presence as well as engaging its existing and potential clients.



Nelly is fluent in Spanish and earned her B.A. in Psychology and Sociology from the University of Miami. She has completed programs at the New York School of Philosophy, Harvard University and Brown University.