



April 3, 2006

The Honorable Deborah Pryce
Subcommittee on Domestic and International
Monetary Policy, Trade and Technology
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Brett Silvers
President

WorldBusiness Capital, Inc.
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Dear Chairwoman Pryce,

Re: Reauthorization of the Export-Import Bank of the United States (Ex-Im Bank)

Fast Track Processing of Medium Term Loan Applications
Supporting U.S. Small Business Exports

As a small business lender with considerable experience and expertise in providing guaranteed loans through U.S. government programs, I support this year's renewal of the Ex-Im Bank charter. I have been a strong advocate for Ex-Im Bank and its programs for 15 years, and I appreciate the Subcommittee's efforts to consider making significant changes that improve and increase lending for small business export transactions. As an active member of the Small Business Exporters Association (SBEA), I strongly support SBEA's recommendations to improve Ex-Im Bank's small business programs.

I am submitting the attached statement recommending a "fast track" process for reviewing medium-term loan applications supporting U.S. small business exports. I respectfully request that my statement be included in the record of the Ex-Im Bank reauthorization hearing of April 5, 2006.

Sincerely,

Brett N. Silvers
President and Chief Executive Officer
WorldBusiness Capital, Inc.

**TESTIMONY OF
BRETT N. SILVERS
PRESIDENT AND CHIEF EXECUTIVE OFFICER, WORLDBUSINESS CAPITAL, INC.
TO THE
HOUSE FINANCIAL SERVICES SUBCOMMITTEE
ON DOMESTIC AND INTERNATIONAL MONETARY
POLICY, TRADE, AND TECHNOLOGY
APRIL 5, 2006
ON
REAUTHORIZATION OF
THE EXPORT-IMPORT BANK OF THE UNITED STATES (EX-IM BANK):

FAST TRACK PROCESSING OF MEDIUM-TERM LOAN APPLICATIONS
SUPPORTING U.S. SMALL BUSINESS EXPORTS**

Madam Chair and Members of the Subcommittee: My name is Brett N. Silvers, and I am President and Chief Executive Officer of WorldBusiness Capital, Inc. (WBC), a commercial finance company based in Hartford, Connecticut. My company specializes in lending to small and midsize businesses to support international trade and investments using loan guarantee programs of Ex-Im Bank and the Overseas Private Investment Corporation (OPIC).

Since WorldBusiness Capital was founded in 2003, my company has provided 26 medium-term loans guaranteed or insured by Ex-Im Bank that have involved at least one U.S. small business exporter with less than 500 employees. WBC has supported U.S. exporters located in 23 different States, and has financed buyers of U.S. exports in six different countries that are eligible for Ex-Im Bank coverage (Mexico, Russia, India, Bulgaria, Philippines, and Korea). WBC's staff actively markets Ex-Im Bank programs directly to SME exporters in the U.S. and during regular trips to overseas markets. During the last three years our lenders and I have made presentations which included information about Ex-Im Bank programs at approximately 25 business seminars and conferences worldwide.

Prior to establishing WorldBusiness Capital, I served as the Chief Executive Officer of Hartford-based First International Bank (FIB). In the early 1990's, I was one of the first proponents of enabling U.S. small businesses and their lenders to access Ex-Im Bank's medium-term loan guarantee program. In that capacity, I served as a member of Ex-Im Bank's Advisory Committee. I have also served as a member of the Board of Directors of the Private Export Funding Corporation (PEFCO) helping PEFCO build its Small Business Note Purchase Program which today provides many small lenders with the liquidity critical for financing small export transactions. FIB was the second-ever recipient of Ex-Im Bank's "Small Business Lender of the Year" Award (1997) and was one of very few U.S. banks ever selected to receive the President's "E" Award (2000), specifically for financing U.S. small business exports. For five consecutive years, between 1996 and 2000, FIB was Ex-Im Bank's largest lender measured by number of transactions.

As a strong advocate for Ex-Im Bank and its programs for the last 15 years, I support this year's renewal of Ex-Im Bank's charter. As an active member of the Small Business Exporters Association (SBEA), I strongly endorse SBEA's recommendations to improve Ex-Im Bank's small business programs. Congress has a unique opportunity this year to make changes that will improve and increase lending for America's small companies to compete in overseas markets.

Competitiveness of U.S. Small Business Exports

U.S. small business exporters face intense competition from suppliers of other nations when they sell products to developing countries. Often the difference between winning and losing a sale depends on the speed with which the U.S. company can provide financing options to its overseas customer.

According to U.S. Census Bureau data, there are approximately 66,000 businesses in the United States with 500 or fewer employees that manufacture the types of products particularly suitable for Ex-Im Bank's medium-term financing support, including agricultural, industrial, computer, telecommunications, electrical, transportation and medical equipment. **Ex-Im Bank must give these U.S. small businesses a significant competitive edge by committing to processing, on a "fast track" of no longer than 30 calendar days, applications from lenders for guarantees and insurance covering 3 to 7 year medium-term loans up to \$5 million that finance overseas purchases of U.S.-made equipment and technology.**

As background, in 1999 under James Harmon's leadership as President and Chairman, Ex-Im Bank announced that it was "expanding the scope of its new streamlined Medium-Term Credit Standards to cover transactions in the \$1 million-\$5 million range. U.S. companies applying to Ex-Im Bank for insurance, loans or guarantees with terms of one-to-seven years are promised a 20-day turnaround time if their transactions meet the simplified credit criteria." (See attached Ex-Im Bank news release.)

Recommendations

To meet the needs of small business exporters, **30-day fast track processing** must have the following features:

- From the date a lender submits a medium-term loan application to Ex-Im Bank, Ex-Im Bank will take **no more than 10 calendar days** to review the application and submit its questions in writing to the lender;
- From the date Ex-Im Bank provides its questions to the lender, to keep on the fast track the lender will take **no more than 10 additional calendar days** to respond to Ex-Im Bank's questions; and
- From the date the lender answers Ex-Im Bank's questions, Ex-Im Bank will take **no more than 10 additional calendar days** to either formally approve the application by providing the lender with an executed Annex B form (for medium-term guarantees) or an Insurance Binder (for medium-term insurance), or formally decline the application.
- Fast track processing must apply to all medium-term loan applications supporting small business exports, **whether or not the overseas customer meets all of the existing medium-term credit standards.** In cases where not all of the credit standards are met, the fast track process will have **flexibility to allow for reasonable, well-supported exceptions.** **This flexibility is critical to the success of the program, since many medium-term loan applications approved by Ex-Im Bank have at least one exception.**

- The Senior Vice President for a new Small Business Finance Division should provide a **detailed quarterly report to the Ex-Im Bank President and Chairman and Board of Directors** on the results of the processing time for medium-term loan applications, and provide recommendations for improvements.

WorldBusiness Capital will be pleased to provide additional information to the Subcommittee to assist in its efforts to help America's small businesses compete overseas and increase U.S. exports.

Export-Import Bank Press Release*

FOR IMMEDIATE RELEASE

October 29, 1999

Contact: Marianna Ohe (202) 565-3200

EX-IM BANK SPEEDS SERVICE WITH SIMPLIFIED CREDIT STANDARDS FOR DEALS OF UP TO \$5 MILLION

20-Day Processing Time Promised To US Firms Whose Transactions Meet Criteria

Ex-Im Bank is expanding the scope of its new streamlined Medium-Term Credit Standards to cover transactions in the \$1 million-\$5 million range, effective Nov. 1, 1999. US companies applying to Ex-Im Bank for insurance, loans or guarantees with terms of one-to-seven years are promised a 20-day turnaround time if their transactions meet the simplified credit criteria. Ex-Im Bank introduced new Medium-Term Credit Standards last May for transactions of under \$1 million. The success of that program lead to this expansion of the standards.

"We look forward to serving our customers with faster, more transparent case processing," said Ex-Im Bank Chairman James A. Harmon. "Small businesses should especially benefit from these new standards, as they compete in the international market."

Under the program, applicants must meet a streamlined set of financial criteria to demonstrate creditworthiness, including earnings, operating income, debt service coverage ratio, cash flow, and total liabilities.

In addition, Ex-Im Bank has dropped the previously required supplemental financial information form on financial institutions for all medium-term transactions, and on nonfinancial institutions for transactions of up to \$5 million.

Ex-Im Bank is an independent U.S. government agency that assists in financing the export of US goods and services to developing markets around the world. Worldwide in fiscal year 1999, Ex-Im Bank supported nearly \$17 billion of US exports.

*Source: Ex-Im Bank Website – 1999 News Archives