

# GSM-102 EXPORT CREDIT GUARANTEE PROGRAM

*Linking U.S. agriculture to the world*

GSM-102 is an export finance solution that supports sales of U.S. agricultural products in overseas markets and helps U.S. companies export with confidence of payment.

## \$5 BILLION IN AVAILABLE GUARANTEES ANNOUNCED EVERY YEAR



U.S. companies use GSM-102 to:

- Protect against non-payment by foreign bank
- Enhance borrowing capacity to overcome cash flow constraints by assigning credit guarantees to eligible U.S. financial institutions
- Develop and maintain business relationships in new markets or expand existing ones
- Allow their customers to access reliable, sustainable and quality supply of U.S. goods

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[www.fas.usda.gov/topics/export-financing](http://www.fas.usda.gov/topics/export-financing)  
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## PROGRAM FEATURES

Letter of credit driven

98% guarantee on principal payment by non-U.S. financial institution to U.S. financial institution

Credit terms up to 18 months

Developing and emerging market focused

Open to companies of all sizes, including small- and medium-sized businesses

No minimum transaction size

Eligible products include high-value, consumer oriented, intermediate and bulk goods

## PROGRAM BENEFITS

### Non-U.S. Financial Institutions

- Access to U.S. dollar financing with correspondent U.S. financial institutions
- Ability to borrow U.S. dollars at potentially lower interest rates
- Ability to provide financing to importing customers

### Importers

- Ability to purchase high quality U.S. agricultural products
- Opportunity for strengthened ties with banks and U.S. exporters
- Enhanced ability to leverage favorable credit terms

### U.S. Exporters

- Expand export sales
- Assurance of payment
- Ability to target riskier markets
- Provide avenue for importer to gain favorable credit terms

### U.S. Financial Institutions

- USDA takes majority of risk
- Can expand credit lines to correspondent non-U.S. banks with minimal added risk
- Ability to lend at potentially reduced interest rates

