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

Ex-Im Bank, the official U.S. export credit agency (ECA), provides financing and insurance to facilitate the export of U.S. goods and services to support U.S. jobs, pursuant to a renewable, general statutory charter (Export-Import Bank Act of 1945, as amended; 12 U.S.C. §§635 et seq.). It aims to provide support for U.S. exports when the private sector is unwilling or unable to do so and/or to counter foreign ECA financing. The Bank is demand-driven, fee-based, and backed by the U.S. government’s full faith and credit.

**Background**

**Authorization.** The Further Consolidated Appropriations Act, 2020 (P.L. 116-94, enacted December 20, 2019), extended Ex-Im Bank’s general statutory authority for a record seven years, through December 31, 2026. This extension, which includes certain other changes, provides new stability to an agency that had faced active policy debate and constraints on its operating authority in prior years. Absent reauthorization, the Bank generally would not have been able to approve new transactions, but would have been able to continue managing its existing financial obligations, and to perform certain other functions “for purposes of an orderly liquidation” (12 U.S.C. §635f).

**Leadership.** By statute, a five-member board of directors, representing both political parties, leads the Bank. Members are appointed by the President and confirmed by the Senate. The Bank president and first vice president serve as the board chairman and vice chairman, respectively. A quorum of at least three members is required to conduct business, including to approve transactions above a certain threshold (previously $10 million, now generally $25 million after board action in May 2019), make policies, and delegate authority (e.g., to staff to approve transactions below the threshold). The 2019 reauthorization provides for establishing a temporary board if a quorum lapses for more than 120 consecutive days of a U.S. presidential term. Advisory and other committees support the board.

The board currently has an acting vice chairman and first vice president, and two other directors. President Biden appointed a senior Bank official to serve in the acting capacity, and the term for one director was extended for up to six more months pursuant to the charter—both actions effective January 20, 2021. Ex-Im Bank reports that these actions enable the board to maintain a quorum, as the other director’s term expires on January 20, 2023. Previous, May 21, 2019, Senate confirmations reinstated a quorum that had lapsed from July 20, 2015 to May 7, 2019, enabling the board to exercise the full panoply of its statutory authorities again and restoring the Bank to its “full financing capacity.”

**Products and Programs.** Key Bank products include

- **direct loans** to foreign buyers of U.S. exports (interest rates are based on spreads set in international rules above U.S. Treasury rates);
- **loan guarantees** to lenders against default on loans to foreign buyers of U.S. exports (lender usually sets rate);
- **insurance** to protect U.S. exporters or financial institutions against export-related risks; and
- **working capital guarantees** of short-term loans.

Underwriting techniques such as project, structured, and supply chain finance may be used in some cases. The 2019 reauthorization established an Ex-Im Bank Program on China and Transformational Exports (China program) to counter export subsidies by China or other designated countries in specified high-technology sectors, such as 5G.

**Activity.** In FY2020, Ex-Im Bank approved $5.4 billion for more than 2,000 authorizations of direct loans, loan guarantees, and export credit insurance (see Figure 1), to support $10.8 billion in estimated U.S. export sales and an estimated 37,000 U.S. jobs. Transactions for small business exporters accounted for 38.6% of authorizations by amount and 88.6% by number. Between FY2014 and FY2018, authorization levels declined, largely due to the board’s inability to approve larger deals during a quorum lapse; the number of authorizations stayed relatively level, as the Bank continued to be able to approve lower-level deals.

**Figure 1. Ex-Im Bank Authorizations, FY2000-2020**

<table>
<thead>
<tr>
<th>Amount of Authorizations</th>
<th># of Authorizations</th>
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<tbody>
<tr>
<td>FY00</td>
<td>$408</td>
</tr>
<tr>
<td>FY05</td>
<td>$208</td>
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<tr>
<td>FY10</td>
<td>$20.5</td>
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<td>FY15</td>
<td>$5.4</td>
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<tr>
<td>FY20</td>
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**Source:** CRS, based on data from Ex-Im Bank annual reports.

In FY2020, the Bank’s total portfolio was $47 billion, reflecting a decline in recent years from $112 billion in FY2014, as repayments exceeded new activity. The 2019 reauthorization sets the Bank’s total financing authority (exposure cap) at $135 billion through FY2027.

**Statutory and Policy Requirements.** Ex-Im Bank financing may be extended only where there is a “reasonable assurance of repayment” and should supplement, not compete with, private capital. The Bank must consider a proposed transaction’s potential economic impact to U.S. industry and its environmental impact, among other factors. The Bank, which views the U.S. content in an export contract to be a proxy for U.S. jobs, reduces its level of support based on foreign content in an export contract; in December 2020, the board approved a new content policy for financing under the China program in specified “transformational” export sectors. The Bank, among other things, has U.S.-flag shipping requirements.
In specific U.S. export focuses, the Bank must
- make available not less than 30% of its total financing
  authority each year to support small business exports;
- promote, and make available not less than 5% of its total
  financing authority each year to support, renewable
  energy exports;
- support environmentally beneficial exports (no
  percentage requirement);
- support exports to sub-Saharan Africa (no percentage
  requirement); and
- have a general goal to reserve up to 20% of its total
  financing authority for the China program.

The Bank also has reporting and notification requirements.

Funding. Ex-Im Bank’s revenues include interest, risk
premiums, and other fees charged for its support. Revenues
acquired in excess of forecasted losses are recorded as
offsetting collections. The Bank reports contributing to the
Treasury, since 1992, a net of $9.5 billion after covering all
expenses, loan-loss reserves, and administrative costs. (This
is on a cash basis, and different from the amount calculated
on a budgetary basis.) Offsetting collections did not fully
cover program and administrative costs in FY2018-2020.

An FY2021 appropriations law (P.L. 116-94) provides Ex-
Im Bank with a limit of $110.0 million for administrative
expenses, and with $6.5 million for its Office of Inspector
General. As in FY2020, the FY2021 appropriations law
includes a prohibition against Ex-Im Bank using its funding
to support nuclear-related exports to Saudi Arabia, unless
the country meets certain nonproliferation requirements.

Risk management. Based on its charter, Ex-Im Bank
assesses and monitors credit and other risks of transactions,
and maintains reserves against losses. It reported a default
rate of 0.819% as of September 2020 (reported quarterly to
Congress). In FY2020, its reserves and allowances for total
losses were $2.9 billion (7.6% of total outstanding balance).
The latest reauthorization added an anti-fraud requirement
on the Bank’s consideration of applications for support.

International context. The United States has led efforts to
develop international rules for ECA activity. Ex-Im Bank
abides by the Organisation for Economic Co-operation and
Development (OECD) Arrangement on Officially
Supported Export Credits, which aims to ensure a level
playing field for exporter competition. Applying to ECA
financing with repayment terms of two years or more, the
Arrangement includes limitations on financing terms and
conditions, and transparency and other provisions,
including on tied aid (see text box). Under an exception to
the World Trade Organization (WTO) rules, Arrangement-
compliant export credit practices are not treated as
prohibited export subsidies.

Over time, unregulated ECA financing has grown; non-
OECD countries operate ECAs and OECD members
provide financing outside of the OECD rules. China’s ECA
activity especially presents competitiveness concerns due to
its size (see Figure 2), lack of transparency, and operation
outside of OECD rules. China, with its intensive financing
for geopolitical aims, is “fundamentally changing the nature
of competition.” Foreign ECAs are taking more “flexible,
innovative, and proactive” approaches. (See Ex-Im Bank

Since 2012, an International Working Group (IWG) has been in talks to establish new
export credit rules among major ECAs. In November 2020,
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