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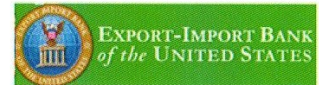
EXIM + BOKF = Opportunities for New Business

BOK Financial - Posted by Corporate Communications on Mar 14, 2005 - Viewed 843 times.

A Tulsa-based exporter is the latest beneficiary of an arrangement between the U.S. Export Import Bank and BOK Financial Corp. on providing letters of credit to U.S. exporters.

Express Integrated Technologies is selling specialized oilfield equipment in Canada with the help of BOKF and the EXIM Bank.

The EXIM-BOKF partnership aids exporters by providing BOKF a guarantee for making a working capital loan to a U.S. exporter selling goods and services internationally. The loan is based on the exporter's ability to perform with a reasonable assurance of repayment. This enhancement allows BOKF the opportunity to win new clients and help existing customers expand in a global market.



Mellonie Lawlis got things going

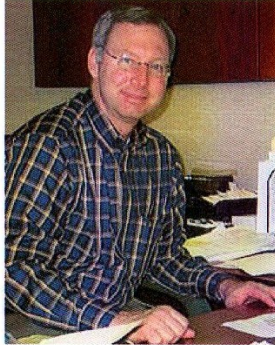
BOKF is pre-authorized to commit the EXIM bank to support a working capital loan up to \$3.5 million. This loan can be utilized to issue letters of credit and finance work in progress involving U.S. goods and services for export. The bank remains at risk for only 10 percent of the exposure if the exporter defaults on repayment of any loan disbursement; the EXIM bank would be responsible for the remaining 90 percent.

Treasury Services Officer [Mellonie Lawlis](#) uncovered the opportunity to do business with Express while she was a calling officer in the International Department. She teamed up with Metro Lender [Brian Puckett](#) and [Randy Kellogg](#) in International to assist the company.

Express is selling four massive once-through steam generators for \$16 million to Montreal-based SNC-Lavalin, a global construction and engineering firm. The giant generators are used in the process of extracting heavy crude oil from sand formations in Canada's energy fields.

when she began calling on Express Integrated Technologies. The transaction with SNC-Lavalin is larger than usual for Express and could provide the Tulsa company with the opportunity to grow its business.

"It was a profitable transaction for Express, and, in addition, it provides them a nice foundation where they can continue to provide other products up in Canada," Puckett said.



Randy Kellogg in OKC notes that the EXIM partnership allows BOKF to improve the lending capacity of the borrower for working capital, account receivable financing and capital equipment financing.

But to secure the deal, Express had to provide a letter of credit to secure \$3.5 million of the progress payments that SNC-Lavalin is advancing while Express builds the steam generators.

Standby letters of credit are a bank's obligation to pay upon default by the borrower. Foreign buyers often require letters of credit when making progress payments to an exporter for specialized equipment and services for use in their country. If the exporter fails to fulfill its obligation to deliver the product or services, the bank risks having to pay on the letter of credit and then seek repayment from an exporter's collateral that may be difficult to liquidate.

Typical standby letters of credit are structured with a loan. The client typically puts up collateral equal to the value of a letter of credit. The clients are required to pay the bank if the bank fulfills its payment obligation under the letter of credit, or the company could be forced to forfeit the collateral like on a loan.

Foreign account receivables are normally excluded as acceptable collateral due to potential issues in collection. That's where the EXIM bank and its guarantee on letters of credits helped the exporter.

"Our arrangement with EXIM Bank allows us to improve the lending capacity of the borrower for working capital, account receivable financing and capital equipment financing," Kellogg said. "The end results are companies competing in global markets and increasing employment levels within these companies."



Metro Lender Brian Puckett in Tulsa says BOKF's partnership with the EXIM bank can benefit the bank and exporters looking for growth opportunities.

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