

Supporting Statement for Paperwork Reduction Act Submissions
OMB Form 3048-0038

Application for Global Credit Express Revolving Line of Credit (EIB11-08)

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain information specified in Section A below. If an item is not applicable, provide a brief explanation. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Export Import Bank of the United States (Ex-Im Bank) pursuant to the Export Import Bank Act of 1945, as amended (12 USC 635, et seq), facilitates the financing of exports of U.S. goods and services. By neutralizing the effect of export credit insurance and loan guarantees offered by foreign governments and by absorbing credit risks that the private sector will not accept, Ex-Im Bank enables U.S. exporters to compete fairly in foreign markets on the basis of price and product quality. This collection of information is necessary, pursuant to 12 USC Sec. 635 (a) (1), to determine eligibility of the applicant for Ex-Im Bank assistance.

2. Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

This form is used by an exporter in order to obtain approval for an Ex-Im Bank direct loan or a guaranteed working capital line of credit to finance export sales. The information received provides Ex-Im Bank staff with the information necessary to make a determination of the eligibility of the applicant and its creditworthiness for Ex-Im Bank assistance under this direct loan and guarantee program.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

For the next several months Ex-Im Bank will only accept hard copy applications for their Global Credit Express Revolving Line of Credit.

4. Describe effort to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

Each application is independent so there is no duplication of information for a given applicant.

5. If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.

We have made extensive use of URL links to policy guidelines on Ex-Im's Web Site to facilitate required certifications and assist users in completing the application. We're also making use of a two-step application process to enable small businesses to determine if they are eligible based on credit scoring, before they need to submit tax and financial statements for final loan approval.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Absent the information required in the application form, Ex-Im Bank would be unable to make the necessary credit decisions to determine the eligibility of the applicant. Consequently, Ex-Im Bank would not be able to provide either a direct loan or working capital support needed by small business exporters.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner"

- *requiring respondents to report information to the agency more often than quarterly;

- *requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

- *requiring respondents to submit more than an original and two copies of any document;

- *in connection with a statistical survey, that is not designed to produce valid or reliable results that can be generalized to the universe of study;

- *requiring the use of statistical data classification that has not been reviewed

and approved by OMB;

*that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
*requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection is consistent with guidelines in 5 CRF 1320.6.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.

60 Day Federal Register document published December 27, 2011, FR vol 76, number 248.

SORN published February 10, 2012 FR vol 77 number 28.

Export Import's Response to PNC Comment

On the Application:

Regarding the "Additionality" statement in the Originator's Application on page 7, your counsel makes a good point because the statement has been excerpted from the Working Capital Guarantee Application. I'm going to recommend that we change the wording to read as follows:

"We would not be willing to make this loan on the terms prescribed in the Global Credit Express Program, and in our opinion the financial assistance to be approved is not otherwise available on reasonable terms without the participation of Ex-Im Bank."

While I believe this change can be incorporated into the Global Credit Express Application, we have to submit your Bank's comments about the application to OMB (Office of Management and Budget) within the next 30 days to secure their approval to make such a change. Basically, OMB has to agree a change is warranted. As I understand the process, PNC's request for a change and our acknowledgement of the change should satisfy OMB's requirements.

On the Master Referral Fee Agreement:

Section 5. (a) - In the Term Sheet dated 2/23/12, we provided an example of "good standing" as ". . . all obligations have been paid as agreed, and there are no defaults, suspensions, restrictions or overdrafts on their accounts . . ." (See attached) I concede neither the Master Referral Fee Agreement nor the Term Sheet states the customer relationship does not have to be a borrowing relationship. We have consistently made that point in our communications, but we chose not to make it a non-requirement in the Agreement. If PNC wants Ex-Im Bank to specifically address it in the Master Referral Fee Agreement, then I think our in-house counsel can accommodate that request. Let me also assure you that Ex-Im Bank is not asking PNC to certify the Borrower will not default. We are seeking only a modicum of comfort from PNC and the other Originators that the applicant is not currently in default or otherwise deficient.

Section 5. (b) - I think our in-house counsel can accommodate this change request to read: "Originator is not aware, to the best of its knowledge, of any material misstatement or omission in the GCE Borrower materials submitted to Ex-Im Bank , , ,"

Sections 6 & 7 - The Originator may charge the Borrower a referral fee of up to \$2,000 and a renewal fee of up to \$1,500. The Originator (PNC) will be copied on the Commitment Letter issued by Ex-Im Bank to the Borrower once the loan has been approved by Ex-Im Bank. When the loan is closed and funded, the initial disbursement under the loan will be the referral fee payment, which Ex-Im Bank will promptly wire transfer to the Originator (PNC). If you like, we can email you the identifying wire information and amount at the time of the transfer. The same procedures will apply to renewals given they require a new application, approval and Commitment Letter. Again, the renewal fee will be disbursed from the loan and promptly wire transferred to the Originator. Please note that the Originator has the sole discretion to determine the amount of both the referral and renewal fees in amounts of up to \$2,000 and \$1,500, respectively. If PNC wants to charge the Borrower flat fees of \$2,000 for referrals and \$1,500 for renewals that's the Bank's prerogative. Some Originators have indicated they may not charge either referral or renewal fees so we needed to allow for amounts less than the stated limits of \$2,000 and \$1,500.

Exhibit A - Paragraph F - PNC is currently certifying to both parts of Para F (i.e., current and future status of representations made) in the standard certifications section of the Ex-Im Bank Working Capital Guarantee Documents as well as other Ex-Im Bank Insurance and Guarantee Programs.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Not applicable.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Ex-Im Bank, its officers and its employees are subject to Trade Secrets Act, 19 USC Sec 1905 requiring Ex-Im Bank to protect confidential business information from disclosure, and, 12 CRF 404.1, which states that, except as required by law, Ex-Im Bank will not disclose any information without the submitter's consent.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered provides. This justification should include the reasons why the agency considered the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

As indicated in the response to Item 6, Ex-Im Bank would be unable to make the necessary credit decisions to determine the eligibility of the applicant and the transaction unless it specifically receives the social security numbers of the principal owners (i.e., 20% or more ownership interest) of the applicant company. A basic tenant of this Loan Program and Working Capital Guarantee and Direct Loan Program is the requirement for a score of 180 or higher on the FICO (Fair Isaac Corporation) SBSS (Small Business Scoring Service). In order for FICO to generate an SBSS Score for Ex-Im Bank they must have the social security number of the principal owners as well as the tax identification number of the company. For that reason, Ex-Im Bank has added a clause to the Certifications and Notices Section of this Application (Item H – Authorization – see below) to ensure the applicant and its principals and guarantors know that Ex-Im Bank is making use of this personal information to obtain consumer credit reports and scores for purposes of loan origination (i.e., approving small business loans).

Authorization - I authorize Ex-Im Bank to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. The Privacy Act authorizes Ex-Im Bank to make certain "routine uses" of information protected by that Act. One such routine use of personal information is to assist in obtaining credit bureau reports, including business credit reports on the small business borrower and consumer credit reports and scores on the principals of the small business and guarantors on the loan for purposes of originating, servicing, and liquidating small business loans and for purposes of routine periodic loan portfolio management and lender monitoring. In connection with the foregoing, the undersigned also authorize Ex-Im Bank to report their credit experience with the Applicant(s) and its Guarantor(s) to the

applicable credit bureaus. (69 F.R. 58598, 58617)

- a. Provide an explanation of how this information will be used by the agency; this justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information.

The Application for Global Credit Express Revolving Line of Credit will be used to determine the eligibility of the applicant and the transaction for Export-Import Bank assistance under its Working Capital Guarantee and Direct Loan Program. Applicants will be identified and referred by a bank or non-bank lender acting as the Originating Financial Institution. To qualify for consideration, the applicant must have had a client relationship with the Originating Financial Institution for at least one year. The Originating Financial Institutions participate in Ex-Im Bank's existing, Working Capital Guarantee and Direct Loan Program.

This program relies to a large extent on the exporter's qualifying score on the FICO (Fair Isaac Corporation) SBSS (Small Business Scoring Service), which is derived from third party business and consumer credit bureau data. All applicants with an SBSS score over 180 will be considered to be eligible for the program. They will also be evaluated by using an internal Ex-Im Bank scoring (without reference to PII) that takes into account the country and the exposure risk of the export. A certain amount of financial and credit information from D&B and TransUnion are needed to calculate the FICO score, while specific, trade credit experience addressed in the application is used for the Ex-Im Bank Exporter Evaluation. The new form incorporates the recently updated standard Certifications and Notices section.

Provide any explanation and instructions given to respondents as to why the agency is collecting the sensitive information, whether respondents may choose not provide this information, and steps taken to obtain their consent.

The Bank's Privacy Act statement is located in Part B Certifications and Notices item H. This statement provides the applicant with the reason for collecting this information, that the information is mandatory to receive consideration for a loan, and how the information will be used.

Part B. Authorization and Notices

Authorization - I authorize Ex-Im Bank to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. The Privacy Act authorizes Ex-Im Bank to make certain "routine uses" of information protected by that Act. One such routine use of personal information is to assist in obtaining credit bureau reports, including business credit reports on the small business borrower and consumer credit

reports and scores on the principals of the small business and guarantors on the loan for purposes of originating, servicing, and liquidating small business loans and for purposes of routine periodic loan portfolio management and lender monitoring. In connection with the foregoing, the undersigned also authorize Ex-Im Bank to report their credit experience with the applicant(s) and its guarantor(s) to the applicable credit bureaus. (69 F.R. 58598, 58617)

NOTICES

The applicant is hereby notified that information requested by this application is done so under authority of the Export-Import Bank Act of 1945, as amended (12 USC 635 et. seq.); provision of this information is mandatory and failure to provide the requested information may result in Ex-Im Bank being unable to determine eligibility for support. If any of the information provided in this application changes in any material way or if any of the certifications made herein become untrue, the applicant must promptly inform Ex-Im Bank of such changes. The information provided will be reviewed to determine the participants' ability to perform and pay under the transaction referenced in this application. Ex-Im Bank may not require the information and applicants are not required to provide information requested in this application unless a currently valid OMB control number is displayed on this form (see upper right of each page). Ex-Im Bank reserves the right to decline to process or to discontinue processing of an application.

With respect to Privacy and Confidentiality:

- a. Provide the exact language of any statement(s) that will be read or provided to respondents on how their information will be handled and protected by the agency and any contractors.

If the agency is pledging to keep the information "confidential," then provide the citation for statute that the agency is using as the basis of its confidentiality pledge. Include the appropriate excerpt from the statute here or as a supplementary document.

The Bank's Privacy Act statement is located in Part B Certifications and Notices item H. This statement provides the applicant with the reason for collecting this information, that the information is mandatory to receive consideration for a loan, and how the information will be used.

Part B. Authorization and Notices

The Privacy Act authorizes Ex-Im Bank to make certain "routine uses" of information protected by that Act. One such routine use of personal information is to assist in obtaining credit bureau reports, including business credit reports on the small business borrower and consumer credit reports and scores on the principals of the small business and guarantors on the loan for purposes of originating, servicing, and liquidating small business loans and for purposes of routine

periodic loan portfolio management and lender monitoring. In connection with the foregoing, the undersigned also authorize Ex-Im Bank to report their credit experience with the applicant(s) and its guarantor(s) to the applicable credit bureaus. (69 F.R. 58598, 58617)

- i. Provide an explanation for any pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use;

The Bank's Privacy Act statement is located in Part B Certifications and Notices item H. This statement provides the applicant with the reason for collecting this information, that the information is mandatory to receive consideration for a loan, and how the information will be used.

- b. Are respondents required to submit proprietary trade secrets, or other confidential information? (Y/N)

Y- SSN and Tax ID information to get the FICO score

- i. Explain the procedures that the agency will implement to protect the information's confidentiality to the extent permitted by law.

The application is going to be submitted as a paper application.
Ex-Im Bank will store the paper application in filing cabinets kept in a locked room with restricted access.

- c. Will the agency collect any *personally identifiable information*? In general, "*personally identifiable information*" refers to information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal information that can be linked to a specific individual. (Y/N) **Y**

- i. If yes, will the agency collect any information that will be included in *records* that are subject to the Privacy Act of 1974 (5 U.S.C. § 552a)? (Y/N)

1. If yes, does the agency include a Privacy Act *statement* on the form (or on a separate form that can be retained by the individual) that clearly informs the individual regarding:
 - i. the agency's authority for the collection,
 - ii. whether providing the information is voluntary or mandatory,
 - iii. the principal purpose(s) for which the information will be used,
 - iv. the *routine uses* which may be made of the information (see 552a(a)(7)), and
 - v. any effects on the individual of not providing certain information.

The Bank's Privacy Act statement is located in Part B Certifications and Notices item H. This statement provides the applicant with the reason for collecting this information, that the information is mandatory to receive consideration for a loan, and how the information will be used.

ii If yes, has the agency published a *system of records notice* ("SORN") in the Federal Register (see 552a(e))?

Not applicable the Bank is only accepting paper applications at this time.

1. If so, provide the Federal Register citation to the *system of records notice*: _____.
2. If not, explain the status of the agency's *system of records notice* and indicate when the agency expects to submit the notice to OMB for review under OMB Circular A-130. (As a reminder, the agency cannot launch a system that is subject to the Privacy Act until the agency has published its notice.)

Will the agency use information technology to collect, maintain, or disseminate information that is subject to the E-Government Act of 2002 (44 U.S.C. 3501 note)?

Not applicable the Bank is only accepting paper applications at this time.

- ii. Has the agency completed a *privacy impact assessment* in full compliance with 44 U.S.C. 3501 note § 208?
 - iii. If so, provide a link to the *privacy impact assessment* that is posted on the agency's website, or explain why the agency has determined that making the *privacy impact assessment* publicly available is not practicable (see 208(b)(1)(B)(iii)).
- d. Drawing on the agency's *SORN* and/or *privacy impact assessment*, if available, briefly describe how the agency has considered and addressed privacy issues pertaining to the collection. For example, explain how the agency is collecting only the minimum personally identifiable information that is necessary to accomplish a purpose required by statute, regulation, or executive order.

The Ex-Im Bank collects the PII information on the paper form. It uses the PII to get a FICO score. Ex-Im Bank will store the paper application in filing cabinets kept in a locked room with restricted access.

12. Provide estimates of the hour burden of the collection of information. The statement should include:

The number of respondents;	500
The frequency of response;	Once per year
Annual hour burden; and	1,167 hours per year

An explanation of how the burden was estimated.

If the applicant has their credit information at hand, it should take the respondent less than 90 minutes to complete the application. For purposes of calculating the burden, we assumed that it would take a full 90 minutes. Given we expect to receive up to 500 applications per year, the annual burden rate can be calculated as $500 * 1.5 \text{ hours} = 750 \text{ hours}$.

13. Provide an estimate for the total annual cost burden to respondents or records keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in items 12 and 14).

Not applicable

14. Provide estimates of annualized costs to the Federal government.

Reviewing time per response:	2.3 hour
Responses per year	500
Reviewing time per year	1,167 hours
Total Government Cost	\$30,000

15. Explain the reasons for any program changes or adjusted reported in items 13 or 14 of OMB Form 83-1.

This is a new program that is being created to reach small U.S. exporters who have not previously had access to export working capital. This form contains minimal questions about the exporter's credit sales experience and is a simplified version of our existing, asset-based, Working Capital Guarantee application form. As the applicants gain experience exporting under a Global Credit Express Revolving Line of Credit, they will often migrate to the Working Capital Guarantee product which requires the exporter to calculate a monthly borrowing base of eligible export receivables and inventory. Furthermore, as noted in Item 11, Ex-Im relies to a large extent on the FICO (Fair Isaac Corporation) SBSS (Small Business Scoring Service). Basically, exporters won't be required to provide extensive financials on a recurring basis because Ex-Im Bank is using automated underwriting tools and processes instead.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Not applicable.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable

18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.

Not applicable.

B. Collection of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on OMB Form 83-1 is checked, "Yes" the following documentation

should be included in the Supporting Statement to the extent that it applies to the methods proposed:

Statistical methods were not used.