



TESTIMONY OF TONI CORSINI
U.S. SMALL BUSINESS ADMINISTRATION
BEFORE THE
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Chairman Chabot, Ranking Member Velazquez, Committee Ranking Member Meng, and other Distinguished Members of the Subcommittee, it is a pleasure to testify before you today on SBA's International Trade program. My name is Toni Corsini, and I work as the Export Finance Manager for SBA covering the five boroughs of New York City, Long Island, Westchester, Mid- Hudson and Eastern Upstate NY, and the State of New Jersey for SBA's export financing programs.

As you know, the opportunities for small business exports continue to grow, with small businesses now accounting for nearly 34% of all U.S. export dollars, up from 29% in FY 2006. But while opportunities exist, the sale will never take place if a company lacks the capital to be able to fund the transaction. So, while the SBA is more broadly involved in ensuring that small businesses have the information and training they need to get export ready and in ensuring that firms have access to market opportunities by making sure that critical rules are included in trade agreements, my division works primarily to ensure that companies have the capital they need to develop new markets and to compete successfully in those markets.

In terms of connecting small exporters with new markets, we've seen great progress through the State Trade and Export Promotion program, through which SBA provides competitive grants to states to support their small business exporters. I'm pleased that both New York and New Jersey took advantage of this grant program last year and currently are operating with grants of \$664,000 for New York and \$498,000 for New Jersey. Both states help support companies attending overseas trade shows, for example, where they can meet new prospective agents and distributors.

With regards to financing, SBA has three targeted loan programs that can take a small business from early-stage exporter to one that needs to expand due to export success. Very briefly, I would like to describe the three loan programs.

As you know, Congress made the Export Express program permanent in the Small Business Jobs Act of 2010, with a 90% guaranty to lenders up to \$350,000 and a 75% guaranty on loans up to \$500,000. Proceeds can be used to fund any export development activity, including attending foreign trade shows, translating literature, product modifications, etc., as well as financing early transactions and for equipment and real estate used in the production of goods and services for export. This is a delegated lender program, meaning that SBA provides expedited approval for such loans, typically within 36 hours.

Secondly, the Export Working Capital program provides a 90% guaranty on loans up to \$5 million which can finance the entire export transaction cycle, from purchase order to collections. These are loans that my office help structure and underwrite, working directly with lenders throughout my territory.

Thirdly, if a company becomes successful and needs to expand its plant and equipment as a result of increasing export sales, SBA can provide a 90% guaranty on an International Trade Loan, a term loan that can fund permanent working capital up to 10 years and real estate up to 25 years, to ensure that the company can expand and remain competitive in global markets.

Although any SBA loan can support an exporter, we feel these three targeted loan products have been very successful in being able to take a small business from the early stages of developing foreign markets to helping them expand due to export success.

In FY 2015, SBA approved 1,777 loans to exporters for \$1.454 billion; of those, 547 loans were one of the three core loans mentioned above for \$730 million. Both categories of loans were records for SBA, even during a year when overall U.S. exports decreased 4.8%. In my territory, 96 loans were made to small business exporters totaling \$67 million, which are estimated to have supported over \$100 million in export sales.

Thank you again for the opportunity to speak with you today about SBA's export finance programs. I would be happy to take any questions.