**CARES ACT and SBA Debt Relief**

**August 27, 2020**

Coordinator: Thank you for standing by. At this time all participants are in a listen-only mode. This call is being recorded. If you have any objections you may disconnect at this point. Now I will turn the meeting over to your host, Wendy Peebles. Wendy, you may begin.

Wendy Peebles: Thank you operator. My name is Wendy Peebles, Lead Outreach Coordinator, Economic Management Division Census Bureau. Thank you all for your participation today. With me today is Michelle Schimpp, Small Business Administration, Deputy Associate Administrator for International Trade along with her team and special guest, Jim Wilson, a manufacturer of the Box Latch Product.

 This census team is happy to collaborate with the Small Business Administration to provide this webinar. We have an informative webinar planned that will discuss the CARES Act and provide information to help you achieve global market sales growth. I would like to go over a few items before we begin. As the operator mentioned this webinar is being recorded and wanted to let you know that the material from today's webinar will be provided within about 7 to 10 business days following today's webinar. There will be an evaluation at the end of the webinar and we ask that you click on the button as we value your feedback and this helps us in planning future webinar content. So at this time I will pass it over to Michelle to introduce the speaker.

(Michelle Schimpp): Fantastic Wendy. Hello everybody and thanks so much for joining us today. For those of you who tried to join last week and couldn't, our sincere apologies. We did do the entire webinar but we didn't realize that there were no external participants. We thought it was very strange that there were no questions. But the good news for you all today is we had a dress rehearsal and we're really exceptionally well-prepared. I know we never would have had these issues if we had worked with Wendy and the Department of Census last week because they're just wonderful partners who really know their stuff.

 One of our main goals today via this in our webinar is to make sure that you're all aware of the debt relief components related to the CARES Act and how this can benefit small business manufacturers and global supply chains. The window for debt relief closes soon, on September 27. So we are urgently trying to get the word out so that your business can have time to take advantage of it if you are interested. And you're going to hear more on that soon.

 But before we get started I want to just introduce myself. I'm the Deputy in SBA's Office of International Trade. And ever since March we in this office have been doing all we can to get before small businesses virtually and talk about how SBA can help you make it through these crazy times. We are completely aware that we're not going to get to the other side emerging from this crisis without U.S. manufacturers being strong and supported with the support from federal, state and local governments. And that's why we're really committed to being a valuable resource for you.

 So let's take a quick look at today's webinar agenda. I am going to give you some information on the CARES Act news and updates. We are super fortunate to have Jim Wilson of Box Latch Products out of Pewaukee, Wisconsin. Pewaukee, Wisconsin I'd never heard of it before I met Jim last week on our webinar is actually 1/45 the size of the more familiar Milwaukee. And I don't know about you all but when you get to hear from a successful small business exporter from small town America there's just nothing better.

 And then also Jim has a wonderful title. He is the Chief Executive and Export Officer or CEEO. That's a sure sign that his company values global market opportunities. And then Jim's going to be interviewed by Steve Sullivan in the Office of International Trade. He's our senior international trade specialist. And then I'm going to come back and highlight some of the key areas of other assistance that we offer for manufacturer exporters. And then I'm going to turn it over to David Leonard who is going to talk to you about financing solutions for your company and financing for global supply chains.

 Finally we're going to stop to take questions and hopefully allow plenty of time to do those questions. And unlike last week I hope we will not need to make up questions because there were none. But what we want you to do and you should do this in your chat we need you to pose your questions at any time throughout this webinar to an email address. It is international@sba.gov. And then we'll address your questions at the end. Again that's international@sba.gov.

 Next slide Wendy, terrific. So a quick update on the CARES Act and the programs administered by SBA. There are four programs on this slide. The top two get the most attention. The much-publicized Paycheck Protection Program is no longer in operation. But I want to tell you how much it helped manufacturers. Of the $5.2 million loans that have been approved totaling over $525 billion, manufacturers were the industry with the fourth highest percentage of funding received. Ten percent of that $525 billion went to manufacturers.

 I know loan forgiveness is of interest to you. Jim did manage to secure a PPP loan so we're happy to take questions at the end. Second, the Economic Injury Disaster Loan is still very much alive and well providing much-needed relief to sustain businesses and their employees. And you're going to hear how it helped Jim Wilson in just a bit. As of August 15 SBA made 3.5 million loans worth $184 billion to small businesses. So again this is an important program with loans up to $150,000 if you haven't already please keep it in mind.

 Third, if you're looking for a bridge while you wait for an Economic Injury Disaster Loan and if you already have a business relationship with an SBA Express lender you can obtain very quickly up to $25,000 while you wait for a decision in disbursement on the Economic Injury disaster Loan.

 And this fourth one we really want to highlight to you because as I mentioned earlier it has a deadline forthcoming.

 Next slide please Wendy. This is debt relief. Debt relief is - it hasn't gotten as much attention as the Paycheck Protection Program or Economic Injury Disaster Response. But the CARES Act allows SBA to automatically pay principal, interest and fees of current and new loans. But they have to be issued prior to September 27. It's not too late. And we will cover the payments for a period of six months. I want to underscore this is not you take out a loan and we're deferring payment. This is the loan is going to be paid down by the SBA and will not entail loan payments if you enter into it.

 But for a new loan you need to act fast. And then we don't know. Potentially this authority subject to congressional approval might be extended. So you're going to hear more about our export loans from David Leonard. But just keep in mind thanks to debt relief this is an especially good time to speak with SBA and your lender about funding your business.

 Okay so but before we talk any more about SBA assistance let's meet Jim Wilson of Box Latch Products. And he's just a real-life success story. So I'm going to turn it over to Steve to chat with Jim.

Steve Sullivan: Thanks Michelle and thanks Jim for joining us today and agreeing to share your experience. Just so the folks on the webinar know when we were planning this webinar we wanted to make sure we had a real business to help our audience relate. So we reached out to our people in the SBA field to see if they had any recommendations. And our export finance manager out of the Chicago U.S. Export Assistance Center recommended and connected us with Jim who has a really unique product and interesting story.

 So Jim thanks again for joining us. I have a few questions about your experiences. But before we get started could you please tell us a little bit about your company.

Jim Wilson: Yes I've love to do that Steve, thanks. My brother Jack and I started the box latch business back in 2010 when we discovered that 90 percent of the boxes in the world were used once. And as a couple of Wisconsin farm kids who were really attached to our environment, we felt there had to be a better way to reduce box waste by reusing them rather than recycling them and sending them all off to landfills.

Steve Sullivan: So how did you come up with the box latch? Whose idea was that?

Jim Wilson: That's an interesting story because Jack was a judge at an inventive and entrepreneur's event in Wisconsin where he saw a device that closed boxes without tape. It didn't work very well way too expensive to manufacture. So working together it took us a couple of years and we came up with our box latch, the first one which is part of our box latch products.

 It's pretty hard for the audience to understand what these products do. And so I'd like to go through some slides with photos to illustrate how these latches close boxes in the B2B world for temporary transport and storage. And the first slide here that comes up shows the ineffective folded flaps getting replaced by box latches with pallets simply with shrink wrap for security and transportation.

 The second slide shows the beauty of color-coded latches for visual recognition as an indicator of where they go next. And color coding really helps overcome the language and illiteracy barriers that are so often found in a diverse workforce.

 The next slide shows our corner clips holding the flaps down and out of the way as the boxes are filled and emptied. It's fantastic for pick and pack and fulfillment operations and even for home moving storage by the way. The picture after this one in the next slide illustrates how slick it is to use these corner clips to hold down the plastic bags and keep them inside the box. You know what a pain that is when they fall in the box all the time.

 And the next two photos and the next slide illustrate how neatly the box latches can hold packing slips or other instructions on a temporary basis without using post-its and just being moved and then aptly applied. The slide after this one shows how the corner clips hold the flaps out of the way to keep the boxes from falling off shelves or hitting short people in the face or other body parts as they move around the workplace.

 And the pictures on the next slide illustrate our latches temporarily closing the boxes on their sides after a long plastic part has been inserted so they can be opened easily in the assembly cell that you see on the right. And the value of this idea shows up in the next slide where 325 of these collapsed boxes are placed in one container for transportation back to their starting point.

 Then one container of collapsed boxes replaces the plastic's post you see on the right generating valuable floor space. And the company that invented this application is reusing these boxes 20 to 30 times saving $10,000 a year on boxes. And that doesn't count saving 5% of their forklift driver's time moving one pallet of collapsed boxes versus 10 pallets of empty and full posts around the facility.

 So that's kind of the story in a nutshell. And included in the last slide for our audience is the Web site and information about where they might get further information and videos.

Steve Sullivan: Great, that's really interesting stuff. Great idea. I don't know why I didn't think of that years ago. So anyway the first question I have for you. Michelle opened the webinar with an update on the CARES Act. Have you benefited at all from any of those programs?

Jim Wilson: Well I'll tell you that was really important because and it's really critical here because thanks to the efforts of our SBA contact in Los Angeles - a guy by the name of Pellson Lau, we submitted our initial application for the CARES Act funding in the form of that $10,000 EIDL Loan Fund back in March. Unfortunately as happened with many other businesses those funds didn't arrive until late June but nonetheless were really pretty helpful.

 And during this time I was waiting, I would contact Pelslon from time to time asking what's the hold up. At which point he said geez had you guys applied for the debt relief on the principal and interest in our original export express loan? We had already heard a little bit about that. But that's the original loan you'll hear about later. And that debt relief benefit went into effect in April, expires in October and has been a huge help preserving $11,000 of our working capital with all those monthly payments made by the SBA. And then during that time as we attempted to understand the delays Pellson pushed me to apply for the Export Working Capital Program Loan. And that's another really important one people don't know about.

Steve Sullivan: And actually you should try to get that in under 27th deadline because that should be eligible for SBA debt relief as well.

Jim Wilson: I wasn't sure on that so I'm going to have to pursue that. Thanks Steve. You know and the funds from all these loans entered our bank account in late June. Actually the working capital loan three days after the EIDL $3,000 we got and boy I'll tell you what a difference it made to have that for a small company like ours with cashflow issues.

Steve Sullivan: Yes glad to hear you've been able to tap into the CARES Act relief. So I'd like to transition into your global business. I understand that you're a graduate of the Manufacturing Extension Partnership ExporTech Program. Can you tell us a little bit about that as it starts your exporting journey?

Jim Wilson: Oh my goodness that three-day, eight hours a day course that Jack and I spent some time in Waukesha, Wisconsin during the fall of 2016 probably was the most important continuing education I've ever completed. Honestly the resources we received from the speakers and the notes, the binders would be the equivalent of a two-credit university international business course. It was really terrific.

Steve Sullivan: So what'd you do with all that information?

Jim Wilson: Well one of the most important things on the ExporTech Program was that we had to complete a business plan with a vision, mission and value proposition. And, you know, at the time I was, like, okay and then that homework though became critical as I applied for that SBA Export Express Loan that we talked about earlier. And that's kind of one of those “but-for” stories you know what.

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 So after being prompted by ExporTech to attend one of the U.S. Commercial Services Symposiums in Scottsdale, Arizona in fact in 2017, I met the SBA person we talked about (Telson Lau). And he took a real interest in us by the way. And thanks to his connections we found a lender that specialized in SBA Export Express Loan applications. That's something we hadn't found in Wisconsin. So when that loan finally came through boy it was big because that gave us access to $180,000 in working capital. And, you know, without that I wouldn't be on this webinar today.

 But that was only part of what ExporTech provided because it also introduced us to people who are now my good friends at the Export-Import Bank. I didn't know what the EXIM Bank was. But now I know that it's critically important to everybody who wants to export. And boy those folks have been always there every time I've asked for help.

 I guess if I was going to summarize the value of ExporTech I'd have to say it was my first experience learning how our federal and our state tax dollars are being used to bring jobs back to the USA. And as I talked about this I found very few taxpayers had any clue that we had this kind of a program going on in the USA.

Steve Sullilvan: Yes that's great. You seem to be a real pro in tapping into available resources and making the most of relationships. I understand you're also a beneficiary of the STEP Grant.

Jim Wilson: Well here you go again but for ExporTech we wouldn't know about these grants and the eligibilities for higher amounts because we had completed the ExportTech Program. In order to qualify we had to plan our business strategies and budgets way further ahead than we ever had before. It was daunting. It forced us to work on our business about a year in advance rather than continuing to work in it. And those STEP Grants reimbursed up to 70% of export-related expenses.

 So over the past four years they have provided us with an access to $60,000 of grant money, shared 70% by staff and 30% by us. And honestly without the Export Express Loan and the STEP Grants there's no way we would have ever pursued the export markets.

Steve Sullivan: Great. And just so folks on the webinar know Michelle is going to talk a little bit more about Step Grants in a minute. But it's great to hear how SBA has been part of your global sales success. That's why we come to work every day to help businesses, like, yours.

 So next question. I'm curious. We're in the midst of a very challenging time right now in the world economy. How has your company been affected by COVID-19?

Jim Wilson: Boy I'll tell you this has been a big deal because our products are new to the marketplace no one's ever seen them. They don't know what they do. And as a result we really need to demonstrate them in person, at trade shows or with visits on the floor of various businesses. In fact we call this our dog and pony show. And that's just not been available since March.

Steve Sullivan: But you mentioned it to me before about a recent trade show that you guys did. Can you share that story?

Jim Wilson: Yes we were talking about this last week because the one bright spot for in-person show-and-tell demonstrations since COVID struck has been in Seoul, Korea. Let's show the next slide illustrating the massive activity that our booth in the Korea MAT show - this is just July 27 to 30. And be aware South Korea is one of the few countries in the world where trade shows have occurred in the summer of 2020. And if I had time Steve I'd love to talk about my trip to South Korea and Japan and why those countries should be high on everyone's export list. So a lot of things we can't cover here.

Steve Sullivan: Yes maybe next time we'll do a trade agreement webinar with the countries at some point. So anyway thanks so much for sharing your story with us today. Before I let you go I'd like to ask do you have any advice for other manufacturers considering the global market opportunities?

Jim Wilson: Man I sure do. I think the most important thing for companies that want to grow their global market sales is to recognize that entering these markets is not for the faint of heart. It's a lot of work. The person or people who need to take this on have to be humble, self-confident individuals who possess outstanding attention to detail, persistence and a perpetual curiosity.

 But I think the most important thing is the person who tackles this global market has to love making a difference in the world each day of their life. Fortunately Jack and I believe our products will make a huge difference in the world environment. And because of that driver that has pushed us to succeed beyond the U.S. borders.

Steve Sullivan: Making the world a better place is certainly a great motivator.

Jim Wilson: Yes It is. Yes and the person that meets the initiative and resilience to contact the alphabet of government agencies that can help with all these export issues. That includes the SBA, the MEP, the U.S. commercial services, the DOC, EXIM Bank. And these resources are out there paid for with our tax dollars. You just need to keep bugging people and keep tracking them down.

Steve Sullivan: That's true. That's what we're here for. That's what we get paid to help people, like, you have success. So anything else you'd like to add?

Jim Wilson: Yes I think when you're looking for this person or people to tackle this they have to thrive on developing relationships with people. They have to be capable of video conferencing with agendas and notes that are essential to hold people accountable because you're talking about across multiple time zones.

 It helps immensely if the person handling this is familiar with and enjoys traveling abroad. I'm an Air Force veteran who lived in Germany for over two years back in the late 60s and I made friends while traveling with my wife all over Europe. More recently meeting people like the chefs and the young couple Jack and I met at a pub in England in 2018 and learning why they supported Brexit when all the rest of our friends did not was just a unique kind of wonderful experience.

 And you could probably tell from the photo that Jack and I are not spring chickens. Being able to travel, like, this for business when both of us are in our 70s, you know, that shows that other people can do it too. Obviously you've got to have good health and no COVID but age shouldn't matter. It's just enthusiasm and perpetual curiosity.

Steve Sullivan: Great, sounds exciting and a lot of fun. So thank you again Jim. We do have a couple more speakers and are planning to answer questions at the end of the webinar. So can you can stay around in case anybody has any additional questions for you?

Jim Wilson: Oh I sure will, yes.

Steve Sullivan: Great, thanks. Back to you (Michelle).

(Michelle Sherif): Thank you so much Jim. Really, really wonderful. You enthusiasm has been infectious and really appreciate you making the time to be with us yet again. And Steve terrific questions, really appreciate it. So yes again remember if you have questions for Jim- international@sba.com, just email.

 So, you know, Jim talked to you about a lot of different programs. And I want to be sure by the end of this webinar that you know how you can tap all of them and we're going to tell you about the SBA about the interagency side. We are here. And what drives us every day, gets us out of bed is to help you be more competitive. There's one key statistic you all need to know. Ninety- five percent of the world's consumers live outside of the U.S. - 95%. Those are your customers. My main concern and our team is only a small percentage of the 30 million U.S. small businesses are actively focused on reaching those customers outside of the USA.

 Maybe people just don't appreciate it but exporters are more financially stable. They expand faster. They create higher-paying jobs compared to non-exporters. And exporters are more resilient because, it makes sense, they reduce their dependency on a single market.

 So fortunately SBA has an answer to all the different challenges that small businesses cite as being an obstacle to exporting. Sometimes they don't know where to start. They think the regulatory environment's too complex or they find it difficult to finance their global sales. So again SBA has solutions. We have business intelligence. We have grants and we have financing. We're going to talk to you a little bit about each of these.

 Next slide please,, all right. Our newest service which has gotten increased attention lately is SBA's fast track service. Here your business would meet privately with our senior trade and technical leads to discuss your unique challenges, your potential resource solutions that are available within SBA or other government agencies. So our business counselling experience will give you access to accurate information. We will give you guidance on your eligibility for certain programs and services. And in essence insights on how you can, like, Jim did, maximize use of relevant federal state-related resources, especially for recovery and resilience.

 And, you know, we're not just going to give you a Web site. We will provide introductions and professional referrals because we now the network of federal, state and local resource partners. You know we just know all of the challenges that small business manufacturers, or we can imagine the ones you must be facing as you pivot and you're addressing new unknowns and risks. Please know that navigating the myriad of resources available doesn't need to be your area of expertise. It needs to be ours so please. So let us be a short and in the research cycle and speed the recovery.

 You can either, to schedule a fast track service call us toll free. The number's here on the screen. Send an email to international@SBA.gov. And I'll be putting this back on a summary slide at the end. We are committed to responding within 24 hours on weekdays to your request for appointments.

 Next slide. So then one additional case that has been referenced by Jim and others is the State Trade Expansion Program or STEP. A lot of people don't know that STEP provides grants that help U.S. small businesses either begin exporting, find new markets or expand sales in current markets. Last year we helped over 3,500 businesses with $18 million in grants across 44 states and territories. And those businesses in turn reported nearly a billion dollars in export sales. So that portion of the billion dollars in export sales Box Latch could be your company.

 So this is a list of eligible, you know, each state and territory runs the program slightly differently. And sometimes has a distinct strategies. But in general these are the types of grants that your business may be eligible for. Jim talked about ExporTech. That's an example of a wonderful training workshop organized by the Manufacturing Extension Partnership. And so if you're interested in that you may be eligible to have that paid for by a grant through your state.

 Grants also can cover participation in virtual trade shows, in-person trade shows conditions permitting. Again Jim talked a bit about symposiums offered by the Department of Commerce where he first met (Telson Lau). We can get you into those arenas with support from a grant from STEP. Also if you're looking for services to try to figure out how to enter into a foreign market, initial market identification, research to determine opportunities there, that's eligible. International partner searches, virtual introduction, business matchmaking again covered.

 Web sites are more important than ever as we are all doing more of our shopping and purchasing virtually. We can help you optimize the Web site, translate Web site to be able to attract those foreign customers and up your game in terms of your marketing media and digital strategy and more.

 Finally, you know, if you're concerned at all about trademark and intellectual property protection again the STEP Program helps businesses regularly make sure that before they go overseas they're protected. So all you have to do is visit sba.gov/step to find out if your state or territory is participating. And we are about to award another $19 million for STEP grant thanks to Congress. So please to learn more. At this point I'm going to turn it over to David Leonard to talk about our export finance program. David?

David Leonard: Thank you Michelle and good afternoon to everyone. My name is David Leonard. I'm one of the Export Finance Managers who are located in one of the 21 locations around the United States to help you and your business get the financing you need to go ahead and meet some of the challenges that have happened because of COVID or normal everyday operations of your business.

 Some of the challenges that we've seen recently as we've gone through these several months now of experiencing the pandemic are that businesses seeing that their buyer credit insurance has been canceled or reduced. They see where their lines of credit have been reduced or they've lost them all together. Their foreign buyers when there's an advanced payment been requested by you they want performance guarantees. They're going to want a standby letter of credit. They may want a performance guarantee of a bond of some sort and it's something that you may not have been facing previously.

 And then finally if you're in a supply chain of an original equipment - manufacturer - you may find that your companies that you are in the supply chain of are asking you to provide them terms. They're asking you their vendor that you're providing supplies to them to provide payment terms. These are all things that we've seen and thousands of come up. With that we have our export loan programs.

 Next slide. The - our 7(a) loan program has multiple uses. The export loan program as part of the tools that Michelle's talked about. And then I'm going to talk about now the three loan programs the 7(a) loan programs that we have to help you go ahead and fulfill the - these issues that we were just talking about.

 There are three programs the Export Express. It's our simplest program which can be structured either as a term loan or line of credit. So you can use it to go ahead and buy fixed assets, or you can use it for business development, use it for different types of new client development reaching out to the marketplace.

 And you can use it for lines of credit for operating your business. If you need transactional financing or small asset financing you can Export Express for that. The maximum in this particular loan is $500,000 but it's very quick and it's something that the - our partners can put in place pretty quickly usually.

 Our Export Working Capital program is when you've secured your order. You've either got a transaction where you have a contract or you need to go ahead and fulfill an order. And that order you need to buy supplies, buy equipment, buy inventory to go ahead and fulfill that order or you've got in your foreign receivables an export inventory that normally you cannot use as collateral for loans. Banks don't lend against foreign receivables. With our loans guarantee they can do that. And we can go up to $5 million dollar limits on Export Working Capital Programs.

 The International Trade Loan is our term loan where we can finance fixed assets which is your debt refinance it can help with restoring. Again it has a $5 million guarantee. And these are available to direct and indirect exporters.

 Now I just used the term then that some of you might not be familiar with. Direct exporter is pretty much as I - as the term sounds. If you export products or services and again that’s products OR services that you are a direct exporter and you're eligible. An indirect exporter is that company not yourself if you sell to another US company, another domestic company, if you sell then to a company that then exports that product you are an indirect exporter.

 Even though you may never export anything your company may never export anything if you sell to someone who exports you're an indirect exporter. Again think about supply chain. So all three of our loan programs that ticker the direct and indirect exporters are eligible. And with that we achieved helping small business do $2.3 billion in sales per year.

 Next slide. So when you're thinking about how can I use these programs because I've talked about three things they pretty much go across the entire spectrum of how you as a small business can go ahead and look at the financing that I need whatever it may be one of these three programs are generally going to touch that use and how am I going to go ahead and provide that.

 We can offer payment terms to your customers to make your bid more competitive. So as I was talking about earlier about that original equipment - company that's asking you now to provide them terms now you can do that with our financing. You can be proactive in your marketing with our SBA Export Express Program where you can reach out go on trade missions, go on a Gold Key service, with our partners at the U.S. Commercial Services you can be proactive in seeking those new contracts.

 You can use it to purchase that machine or equipment you need to go ahead and expand your capacity to meet the demand that you have. And you can use it to finance those international purchase orders that I've already described where you've got the go ahead, and you've got a purchase order, you've got to buy inventory or you have to build that piece of equipment or create that service to go ahead and fulfill that contract.

 And then finally you can issue bid bonds, advanced payment, or performance guarantees, or standby letters of credit using our loan programs both Export Express and Export Working Capital program. The key is reaching out to one of those 19 export finance manager in the 21 locations around the United States. Let me give you an example of part of what I talked about and this kind of goes back to that indirect exporter because I think that's a great example because there's a lot of you out there that you don't think about that.

 I've got a client in Dalton, Georgia that sells carpet. They sell carpet to the BMW plant in South Carolina. That plant in South Carolina then takes those SUVs that they build and they ship them all over the world. That's an indirect exporter. BMW actually does the exporting but my Dalton company was eligible for equipment financing and an expansion to go ahead and meet the additional needs that they had whereby providing that carpet to BMW as an indirect exporter are eligible for the loan program.

 Next slide. So if you're thinking about that let's think about some other ways that we can use the program and some of the things that we've found that are great assistance for you. So as I just pointed out, if you're looking to expand or build a production facility, if you need an additional warehousing or exporting. If you need to build new supplier networks if you're going ahead and you're reaching out and you're looking to become part of the supply chain of a company a manufacturer or some type of other manufacturer you want to get into that supply chain.

 If you're looking to go ahead and start an in house design or prototyping capabilities. If you're thinking about consulting, professional services or if you need to provide intellectual property protection one of our programs uses Export Expense which as I said at the beginning very flexible. Our international trade loans can generally meet these needs.

 One of the top points out that I've skipped over there was change in ownership. That's something that we're looking forward to go ahead and start offering in the immediate future. FDA regular 7(a) loans for domestic companies can now use that. And we hope to have that in place sometime after October 1 so reach out to your local Export Finance Manager.

 Again there's 21 locations around the United States. There's 19 of us just like myself out there. But I'm going to turn it back over to Michelle now and let Michelle kind of talk a bit about some of the resources and how you tap into those. Thank you again for joining us.

Michelle Schimpp: David thanks so much. I just want to underscore everything that David just talked about is eligible for debt relief. And then as, you know, the next two slides before Q&A if you want to screenshot anything these are the best slides because they'll give you some both again somewhere else to go.

 I noticed some of you signed up for a consultation when you registered for this Webinar. You said you wanted to be contacted by us. And if you did we'll be contacting you so you don't even have to write this down we'll just make it easy on you.

 But if you didn't sign up for that consultation if you want more information on export finance this is the link sba.gov/international. David is one of 21 Export Finance Managers working for SBA across the country. And, you know, he and his colleagues their priority is to help business like yours find the finance product that works for you. So please do find them and being contact.

 Again if you want to find out whether your state has a STEP Grant and who to contact for more information to get your company one of those grants go to sba.gov/step. And, you know, we have and a range of local resources out there. And so again all you have to do is go to sba.gov/local-assistance to find resource providers in your area.

 Again for fast track assistance you can either call us or you can email. The email is the exact same one you need to do in order to submit a question. So please do put your questions there at international@sba.gov. And if you wanted to stay in touch with us via newsletters and feature Webinars again sba.gov/newsroom to sign to sign up for the newsletter.

 And then one more slide because I know Jim and others talked a lot about other US government assistance and we're fortunate to be part of a very robust community of agencies wanting to help small businesses. So trade.gov a very complete export assistance portal that brings together all the different resources from across the US government. Everything from market research, to trade leads to tariff information trade events.

 You can visit www.stopfakes.gov. It's an interagency Web site that offers the tools, resources access to US government assistance. And you can find - and it's easy for you to find the information to obtain and protect intellectual property rights at home and abroad. Export Import Bank credit insurance can protect against political and commercial risks of a foreign buyer defaulting on payments. So we urge you to check that out.

 The Census Bureau our dear partners today on this call have wonderful information. US Export and Import Statistics. USA Trade Online is a very powerful report building tool that helps you to create custom data sets you can save or buy the download. The Global Market Finder is an interactive tool that helps companies identify potential export market for their products to visualize commodity exports globally.

 And then finally the State Department regulates the import and export of defense articles and services. And o if you're sure you're potentially are going to need an export license or an international Traffic in Arms license exemption please visit the State Department Web site. And so now we are ready for your questions at international@sba.gov. And then these are some - a few final thoughts.

 So the first question I am going to give to David Leonard that has come in. And basically the question was, "Does the export import working capital program qualify for debt relief or does EXIM have some similar forgiveness?" David, would you like to speak to that question?

David Leonard: Sure Michelle. The debt relief program specifically addresses SBA loan program. EXIM Bank does have some special exemptions and changes to the program specifically that was passed under the CARE Act for them but the debt relief program applies specifically to SBA loans.

Steve Sullivan: And David this is Steve. I would just add folks can Google EXIM coronavirus response and they'll get to that page that has the EXIM information.

David Leonard: Thanks Steve.

Michelle Schimpp: David I've got another question for you. Basically where just a company is interested in knowing, "Is the Export Express loan different from the PPP loan?" Do you want to answer that and clarify again how the Export Express loan qualifies for debt forgiveness - I mean debt relief.

David Leonard: Correct yes those are two different loans. The PPP loan that is one of the loans that was put in place specifically for working capital to meet the needs of companies because of the coronavirus. It's a debt relief program that can be used for working capital. If used under the program guidelines the loans can be forgiven, up to 100% of loan can be forgiven.

 You work with your local bank. That loans just like our regular 7(a) loans is made to your bank but that loan program was strictly for that working capital for operating your company during that - the time period starting around June up until recently. And now with the forgiveness period that could be looked at.

 The Export Express program is a business loan. That's where you're applying to go ahead and getting a term loan or a working capital loan to further operations where you will either need to get a loan for fixed assets or you need a line of credit. So that Export Express program is again something you apply for through your bank. The difference being is it will not be forgiven. It is a loan. You have to pay it back.

 But as Michelle pointed out there is a program that is in place until September 27 your loan has to be approved funded and closed and it's closed as a line of credit that means an additional disbursement or fully funded if it's a term loan by September the 27th to be eligible for debt relief. What that means is you'll get six months of payments and that would be principal, interest, and any extraordinary fees charged on a monthly basis will be paid for six months if your loan is approved, closed and funded September 27.

Michelle Schimpp: David, you're a popular guy people want to know about money. So another question came in from a company in Philadelphia that just qualified for a Hub Zone Certification. And the company is asking, "Are there benefits to for exporting for SBA 8(a) businesses?"

David Leonard: Well Hub Zone and 8(A) are two different things. But that is a contracting certification that your company has received based on location, 8(a) is based on a company that's owned by a disadvantaged individual. And you've shown the qualifications - to get those certifications you can be preference in bidding on federal contracts.

 That does not apply to your exporting. Exporting has to do with if you have a company and you have a foreign buyer and they're paying you your company the seller that's an export. You're selling your product or service into another country that's a direct export as I described a little bit earlier. If you're indirectly exporting if you're selling to another domestic company who then exports that product they sell that product or service and they have a foreign buyer that's an indirect export. That is exporting.

 The generally the thing that we find for companies that are used to working in the contracting arena works very well within the export world because as Jim very plainly pointed out it takes a lot of initiative, folks that are willing to understand what it takes to go ahead and meet the conditions or rules or regulations to do business in another country. That's very similar to government contracting and it's something that we found it's a good match up for those companies that have gotten those types of products and services. So if you have a product or service what I would recommend doing is reaching out to your local small business development center they can sit down with you determine if there are markets for your products in other countries and then go ahead as we talked about earlier we can use some of our different resources to help you find those clients specifically like the STEP Grant in those countries.

Michelle Schimpp: Thanks David. I'll give you a breather. There are some - there's a question here about whether the debt relief program is potentially being extended a concern particularly in Hawaii very hard hit. At this point it requires an act of Congress in order to extend that deadline. And so, you know, I think that's why we're still on the phone we - there is the chance that we can help you if you can't get, you know, let's give it a try.

 If you've got your company and you want to try to get a loan through before September 27 I see you're in Hawaii and we'll put you in touch with Pellson Lau and see if there's something we can do for you. Another question on indirect exports and I think David you're going to have to handle this one. “Does all the output of the equipment has to be used for export to qualify for the SBA loan?"

David Leonard: It would be the sales that you make to that domestic buyer that's going to make that product if they're going to export your product or service those sales to that client would be eligible. The sales that make to other domestic clients that are not going to be exported would not be eligible. It's only going to be that when you've got that client in the supply chain that you're in and they are buying your product or service and they say yes I'm taking your product or service and exporting it but your other domestic sales to other companies that do not export their product you would need a separate line of credit and that's just is normal business.

 Generally you have to run a separate line of credit for your domestic sales and one for you export sales. SBA has a separate program called CAPLine to help you do that. It's another 7(a) program on domestic lines of credit for working capital loans.

Michelle Schimpp: And then is the correct answer to this question is the same company was interested in knowing they have to do this REACH registration for chemicals. It's regulatory registration. They could be use an Export Express loan or something like that to cover that right? That's on the export development side.

David Leonard: That's a great example Michelle and that's absolutely true. I have a lot of companies that come to us and they need to go ahead and pass some type of certification to do business in a country and they can use the Export Express loan to go ahead and set up the almost like an R&D project or whatever they need to do go ahead and meet those certifications as they enter those new export markets.

Michelle Schimpp: Great. And this one this is an interesting question. We've got a company that has equipment that's under leases or financed by traditional banks. And they want to know if they might be able to refinance that equipment through the SBA -- maybe the 504 program or something -- and then obtain debt relief on the new SBA loan.

David Leonard: If they're going to go ahead and we can't offer them lease program but we can offer them the ability to go ahead and buy that equipment. One of the advantages especially in the 504 program that you just mentioned the 504 program it may turn out that your payment for you own that equipment will be less than what you're paying for at lease because right now you can generally get interest rates under 3% for long term fixed rate financing on equipment that's generally ten-year loan, on commercial real estate that's a 20 or 25-year term.

 The 504 program just like the Microloan program and the 7(a) program which is the export program all three are eligible for the debt relief program. But let me just again something to caution everyone is that -- and something Michelle already pointed out -- we are running a tight timeline here. We've got less than a month because the 27th of September is a Sunday. So we're actually looking at somewhere around September 25.

Michelle Schimpp: Awesome. Thanks David. We've got two questions by businesses that are interested in acquiring others. One wants to - they're considering buying their major distributor of products in Europe and another one maybe trying to use an export grant to establish an outlet in another country. What are the - any - can any of our products be used for that, through expansion?

David Leonard: Excuse me right now our products none of them are eligible for change of ownership. That's something that we look to have in place and it's new regulations come into place where you can use both our Export Express and our international trade loans to go ahead and facilitate a change of ownership.

 Now the one thing that I would say about the two examples that you just gave to buy the company that's in another country if you're going to own reshore that where you're going to bring that company back to the United States and you're buying it and you're going to reshore it that might be something that you could look at. What I would recommend doing is reaching out to your local Export Finance Manager in your area.

 You can contact me and I would point you out in the right direction or reach out and do our fast track services. Michelle has pointed out and we'll be glad to point you out you to the right Export Finance Manager. And then when that does become eligible talk to you about that and more at that point. But it's not eligible at this point right, no.

Michelle Schimpp: And another one that is a business that has an SBA loan under the CARES Act and is in deferment status at this point in time. Has it been determined that these will be forgiven? The only loans that have been determined to be forgiven are the Paycheck Protection Program loans subject to meeting the qualifications on the loan usage. Anything else to add on that David?

David Leonard: No ma'am that's the exact - the same thing I would say. PPP is the only thing that tells on that the - there's no forgiveness. The debt relief program provides on our 7(a) Title IV and Microloan program six months of payments as we’ve already pointed out. That is separate part of the CARES Act but a separate part of that CARES Act that it does that. The forgiveness only applies to PPP Paycheck Protection Program.

Michelle Schimpp: All right. And then we've got a company that was referring to Fast Track Lenders for Southern California. We have Fast Track is a service. It's not a group of lenders. If you're interested in getting some advice counseling the Fast Track service you can contact us.

 If you're interested in finding lenders that do export loans in Southern California we'll be in touch separately and introduce you to our Export Finance Manager Pellson Lau who helps Jim who is in Southern California and happy to help you. Speaking of Jim we've got a question here. Jim, are you still on? People were interested in knowing about your first export deal and how that came about?

Jim Wilson: Well actually our first export deal came up before we even had the export loans. And once again our Web site was instrumental in bringing about our biggest customer which is VF apparel company North Face, Lee, Wrangler, Nautica and they needed our box sizes in brand new fulfillment centers in Belgium and in the Czech republic.

 And so those export experiences where they've already bought over a $130,000 dollars worth of box latches and corner clips kind of those over the years have spearheaded our interest. But since we've been on the, you know, the SBA loan products and the STEP Grant we've been able to visit those sites in Belgium three times now four times. And trust me once you've - during trade shows and others. So once you're - that facility is contacted overseas that's where the STEP Grants, trade shows and ability to go visit existing customers or develop new ones.

 So a lot of those - at trade shows that's where you find distributors, that's where you find some direct sales that's where you find agents to help you. And so I think that's kind of the side benefit of all this. So our export really began with an experience prior to all this but has been completely revised since we've been able to participate in all these programs.

Michelle Schimpp: Thanks Jim. Fantastic well I know we're coming up on three o'clock but I just really did want to thank all of you who have participated. There were a few questions that were rather specific that we will answer separately via email. If you wanted to sign up for a consultation and you didn't guess what you need to do just email international@sba.gov.

 Jim, I can't thank you enough. I know that your time is money and that you really have brought a lot of context and enthusiasm to bear to convince other manufacturers to follow in your footsteps. So thank you so much for everything that you've done and to Box Latch Products for being a partner in this.

 I really do want to thank the Bureau of Census for having sponsored this Webinar with us. And again they are wonderful sources of information on exporting environments and trade so please do take advantage of those. Please do sign up if you would like to be part of - participate in a future Webinar. We're always looking for great ways to help you.

 And I hope by now at the end of this Webinar you know how to access us in terms of advice, counselling, services, grants and financing. And again thank you for all that you do. Again we are never going to come out of the other side of COVID without manufacturers being supported and growing the jobs and growing our economy. So thank you for all you do and please count on us for your support.

Wendy Peebles: Yes so once again want to thank everyone for their participation today. Special thanks to SBA doing a great job, special thanks Michelle Schimpp, Steve Sullivan, David Leonard, Sarah Bonner and special guest Jim Wilson. There were a number of takeaways from today's Webinar and I'm sure the resources provided will assist you in making informed business decisions and growing your business globally.

 Michelle has eloquently just summarized the number of services and resources that are available from Census as well as from SBA so please reach out to an SBA representative near you. Once again just like to remind you to please complete the evaluation. We value your feedback. Thank you again for joining today's Webinar. This completes the Webinar for today.

Coordinator: That concludes today's conference. Thank you all for participating. You may now disconnect.

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