

from Manuel Jimenez\_ to All Participants: Please outline the cost difference, if any, between a Confirmed L/C and a Stand-by L/C

from Tom Beck\_ to All Participants: Does anyone know what % of Mexican buyers are viewed as insurable?

from Warren Gross\_ to All Participants in reality, it is very difficult for even strong Mexican companies to secure letters of credit from their Mexican banks. This is due to the contingent liability against capital that is a sensitive matter for those banks today.

from Michael Dwiggins\_ to All Participants: Manuel, cost difference depends a lot on Mexican bank for Commercial L/C vs Standby. If you as exporter can get a good standby, go that route since you will not have as much risk for a discrepancy the importer must waive as you would in a commercial L/C

from Eva Karsza\_ to All Participants: I heard that insurance only pays if the buyer is bankrupt.

from Marlene Mendez\_ to All Participants: Dave, your customer in Mexico may say that the materials you sent are not acceptable

from Tom Beck\_ to All Participants: I'm thinking most international customers would not be considered insurable.

from Norma Mozee\_ to All Participants: How do you secure payment for a service provided vs. a product?

from Manuel Jimenez\_ to All Participants: TKS Mike

from John Mueller\_ to All Participants: Eva, insurer pays if buyer is bankrupt or doesn't pay after a certain number of days past due. This is called "Protracted Default". Not all insurance policies have it, but you should insist on it.

from Michael Dwiggins\_ to All Participants: Manuel, most Mexicans will be very reluctant to provide you a standby L/C given the costs in Mexico

from Warren Gross\_ to All Participants: In the case of "documents against acceptance" the buyer has been enabled to get the goods out of customs without paying; he has simply "accepted" a trade note that will mature in a specified time. Default on that note is the problem of the exporter although there may be some degree of suasion in the local trade community if defaults are published...

from Robert Leach\_ to All Participants: what's the best Incoterm to go along with DAP? Is it CIF? What are the normal credit terms offered to Mexican buyers- selling from Mexico

from Warren Gross\_ to All Participants: we have put together Ex-Im Bank insurance for as little as \$25 thousand in exposure. Admittedly, though, financing those exports may not be attractive to a bank lender.

from Andy Harrington\_ to All Participants: Thank you, nice shap shot, Daniel.

from Dave Schafer\_ to All Participants: If we use the option terms w/ credit insurance and the buyer defaults payment because of inability to pay, then insurance pays 90%. What if the the buyer doesn't pay because of product

from Dave Schafer\_ to All Participants: quality issues, real or not?

from Laura Halik\_ to All Participants: I am a start up export business. Can I obtain export credit insurance?

from John Mueller\_ to All Participants: Dave, All policies exclude dispute.

from Steve Travis\_ to All Participants: Is there any value/security in obtaining a "pagare" from your Mexcican customer?

from John Mueller\_ to All Participants: Accordingly, you would have to make a case to the insurer.

from Daniel Crocker\_ to All Participants: NAFIN has asked us not to refer them business at this point. There is a political transition going on in Mexico right now, which may play a role

from Daniel Crocker\_ to All Participants: In event of quality disputes, I think that you would need to resolve with buyer independently of insurance

Are the rates Exim-bank lends to the Mexican buyer better than they can get from banks directly?

What are the payment terms offered in Mexico, if you are selling from Mexico

from Tom Beck\_ to All Participants: Thank you.

from Tom Beck\_ to All Participants:I was trying to understand if it was better than the 9-14% as shown on the previous slides for typical Mexican lending rates.

from Manuel Jimenez\_ to All Participants:  
Steve, using pagares could be a tricky issue in Mexico. From the legal/commercial point of view, its main advantage lies on the fact that should you be forced to go to a Mexican court, the initial ruling will be to have a lean on the customers assets. Given no other alternative, the best protection could be using the "incondicional" term in the wording of the pagare and also have the signature of another individual/ company with enough assets as collateral.

from Daniel Crocker\_ to All Participants: Mario, no minimum US content needed for export credit insurance unless EXIM is used to insure. Most of these credit insurance companies have global base.

from Tom Beck\_ to All Participants: Thanks John

from Russ Lauer\_ to All Participants: Has anyone had success getting Finacial Stmt. from their Mexican customers?

from Martha Ebelhack\_ to All Participants: yes, if they want open account and we ask for them every 6 months

from Alvaro Cuervo\_ to All Participants: thank you to both speakers. it has been very useful

from Alexander Amdur\_ to All Participants: FYI-useful reference-List of Ex-Im insurance brokers:<http://www.exim.gov/pub/ins/pdf/eib00-01.pdf>

from J.E Bournas\_ to All Participants: how do we get a copy of these excellent presentations?

from Daniel Crocker\_ to Host & Presenter(private): How do we enable John Mueller to answer?

from Fidencio Paredez\_ to All Participants: Which country is offering better terms than the USA.

from Manuel Jimenez\_ to All Participants: TKS Michael and Dan, a great presentation

from Andy Harrington\_ to All Participants: Yes, thank you for the great presentations!

from Tony Gunter\_ to All Participants: What is to prevent a buyer to use a quality issue as an excuse or weapon against to delay payment?

from Dave Schafer\_ to All Participants: If we use the option terms w/ credit insurance and the buyer defaults payment because of inability to pay, then insurance pays 90%. What if the buyer doesn't pay because of product quality issues, real or not? What type of recourse or protection is available? Can you expand on this?

from Manuel Jimenez\_ to All Participants: What about using escrow accounts to get paid from the Mexican customers?

from Dave Schafer\_ to All Participants: Michael, do you have the "open account terms w export credit insurance" in Spanish?

from Dave Schafer\_ to All Participants: We really need this information available in Spanish to explain the opportunity to our Mexican buyer....

from Daniel Crocker\_ to All Participants: We're planning on publications of our export finance guide in both Spanish and Portuguese (for Brazil) in the coming months, thanks for noting. If you're interested in sharing with your buyers, please email us

from TODD AVERY\_ to All Participants: ExIm has their information in Spanish

from TODD AVERY\_ to All Participants: <http://www.exim.gov/mexico/index-es.html>

from Marlene Mendez\_ to All Participants: I believe what that person is doing is just to check with the bank if the account has enough funds

from Dave Schafer\_ to All Participants: Can we use Export Credit Insurance for Products and Services, the services performed either by a MEX contractor or our MEX company itself (S de RL de CV?

from Madelyn Baer\_ to All Participants: I lost it for a moment too. Just call back and reenter the pass code

from Dave Schafer\_ to All Participants: one more question!

from Madelyn Baer\_ to All Participants: thanks- very solid presentation. Adios

from Marlene Mendez\_ to Host & Presenter(private): Thank you all again. Have a great day!

from John Dowd\_ to All Participants: Great presentation! Thanks!

from John Conway\_ to All Participants: Thanks! Great info!! Muchas gracias!!

from Daniel Crocker\_ to All Participants: Dave, John Mueller is our resident expert on export credit insurance. You can email him your question at [john.mueller@mail.doc.gov](mailto:john.mueller@mail.doc.gov) and I'm sure he'll answer you accurately.

from Dave Schafer\_ to All Participants: Todd, please send along the presentation... I have a couple of questions to Daniel and Michael

from Jeanne Bartholomew\_ to Host(private): Please let me know the details about the Ag Issues webinar event coming up

from Dave Schafer\_ to All Participants: What's John Muller telephone # please...