

HOW TO *Apply*

Any Canadian exporter selling capital goods and related services can take advantage of these financing options, provided you meet the requirements for export performance and your foreign buyer is creditworthy and is considered insurable by EDC.

Small and medium-sized transactions are eligible (US\$100,000 to US\$5 million) with repayment terms from one to five years. Loan amounts of up to US\$10 million can be considered by exception.

Exporters should apply directly to NORTHSTAR. Once NORTHSTAR and EDC are satisfied with the risk, NORTHSTAR sets up a loan directly with the buyer or distributor and pays the exporter as soon as the goods are shipped and accepted by the foreign buyer.

Call today to find out how NORTHSTAR, in partnership with EDC, can help you grow your export business.



For more information, contact:

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NEW Financing Options For Canadian Exporters

Northstar Trade
Finance & EDC
Partnership


NORTHSTAR
TRADE FINANCE INC.


EDC
Export Development Canada
Exportation et développement Canada

WHO IS *Northstar*

NORTHSTAR Trade Finance Inc. supports Canadian exporters by offering financing to creditworthy foreign buyers of eligible Canadian goods and related services.

NORTHSTAR brings together the export strengths of the federal government through Western Economic Diversification, the provincial government of British Columbia and the private sector through the Bank of Montreal, Royal Bank of Canada, HSBC Bank Canada, National Bank of Canada and Caisse de dépôt et placement du Québec.

The Northstar-EDC Partnership

NORTHSTAR Trade Finance Inc. and Export Development Canada (EDC) are working together to provide creative financial solutions so foreign buyers can buy more goods from Canadian exporters like you!

NORTHSTAR provides the foreign buyer with financing and EDC insures each transaction against losses due to commercial and political risks. *This means you, the exporter, get paid immediately* by NORTHSTAR who then collects from the foreign buyer.

WHAT'S IN IT *For You?*

- **WIN MORE BUSINESS** - By offering your foreign buyer financing in support of your bids.
- **GET PAID IMMEDIATELY** - Funds are paid directly to you and NORTHSTAR collects from the foreign buyer.
- **YOUR FUNDS REMAIN AVAILABLE TO YOU** - NORTHSTAR's financing of the foreign buyer does not affect your credit facilities.
- **NON-RECOURSE TO YOU** - Provided you have fulfilled your obligations under the contract with your buyer.

THE FINANCING *Solutions*

Term Finance

NORTHSTAR loans are generally offered on a fixed-rate basis, which provides the foreign buyer with a predictable repayment stream. Variable rates are also available.

NORTHSTAR enters into a loan agreement with the foreign buyer and obtains a registered lien over the exported equipment.

Floor Plan Finance

Canadian exporters frequently sell their products through dealers and distributors located outside of Canada. To facilitate these sales, exporters often find themselves extending longer payment terms to these intermediaries than they can really afford.

The Floor Plan finance option is straightforward – it provides a direct loan to the dealer or distributor, for purchases from the Canadian exporter.

NORTHSTAR pays you, the exporter, as soon as the goods are shipped and accepted by the foreign buyer. The dealer or distributor repays NORTHSTAR once the goods are sold or within 360 days (whichever occurs first.)

HOW DOES IT *Work*

Once the application is approved, NORTHSTAR issues a letter of offer that you, the exporter, can present to your foreign buyer.

After the loan documents between the foreign buyer and NORTHSTAR are finalized, and the exported goods have been shipped and accepted by the foreign buyer, NORTHSTAR will transfer the funds to you, the Canadian exporter. The foreign buyer will repay NORTHSTAR for the full amount of the loan.

HOW MUCH DOES IT *Cost?*

The only cost to the exporter is an application fee of \$300 plus GST.

The foreign buyer costs include:

- loan interest at competitive market rates.
- a one time premium for EDC insurance to cover commercial and political risks on each successful transaction.
- a one time administration fee of 1.25% of the loan amount, payable up front.
- all reasonable out-of-pocket costs for the loan, including legal fees.

