SVB Financial Group

Phoenix, Ariz., Small Business Grows Overseas Sales, Adds Jobs With Help of Ex-Im Bank, Silicon Valley Bank

A Phoenix, Ariz., small business that makes electronic test products has itself passed a test of sorts ... by creating new jobs through new exports.

The number of employees at UMD Development (UMD) is growing by 25% a year, due in large part to expanded foreign sales made possible by an Export-Import Bank of the United States (Ex-Im Bank) Working Capital Guarantee.

UMD is using a $1.5 million working capital line of credit from Silicon Valley Bank (SVB), Santa Clara, Calif., guaranteed by Ex-Im Bank, to sell test sockets — receptacles that hold semiconductors during testing — to European and Asian markets.

"UMD Development exemplifies what Ex-Im Bank's small business initiatives are all about — creating U.S. jobs by providing financing to facilitate small business exports that otherwise would not go forward," said John A. Emens, Ex- Im Bank vice president, Small Business, and deputy head of Export Finance.

"We've been able to expand our sales overseas in the face of international competition," said UMD Development CEO Matthew J. Bergeron. "Silicon Valley Bank, with Ex-Im Bank's guarantee, covers receivables for us that we otherwise couldn't use as collateral. We've had 25% yearly growth in personnel since 2003."

"SVB's involvement with the Ex-Im Bank program further helps us deliver export finance solutions to our technology and life science clients, such as UMD, as they conduct business globally," said Mike Selfridge, head of Silicon Valley Bank's Global Products and Sales. "As is true for SVB over the past 13 years, we are always pleased to offer Ex-Im Bank working capital financing and look forward to helping UMD grow and succeed in global markets."

UMD currently has 125 employees in its Phoenix facilities. Bergeron said the company's revenues are growing by 40% a year to an expected $25 million in 2006, with exports comprising about 45% of total sales.

SVB, a long-time Ex-Im Bank partner, received Ex-Im Bank's 2005 Small Business Bank of the Year Award for its leadership role in helping small businesses enter the international marketplace. As an Ex-Im Bank Delegated Authority Lender, SVB can provide Ex-Im Bank-guaranteed financing on an expedited basis. Long a leader in the use of Ex-Im Bank's products, SVB utilized nearly $115 million in Ex-Im Bank authorizations to provide financing for export transactions that supported over 1,500 U.S. small business jobs in fiscal year 2005.

Ex-Im Bank this year marks its 71st year of helping finance the sale of U.S. exports, primarily to emerging markets throughout the world, by providing loan guarantees, export credit insurance, and direct loans. In fiscal year 2005 Ex-Im Bank authorized nearly $14 billion in transactions supporting almost $17.9 billion in U.S. exports. This represented 3,128 transactions, of which 2,617, or over 80%, directly benefited small businesses. For more information on the Export-Import Bank of the U.S. visit http://www.exim.gov.