GAO Highlights

EXPORT-IMPORT BANK

Expanded Use of Delinquent Federal Debt Data Could Better Mitigate Credit Risk

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A report to congressional committees

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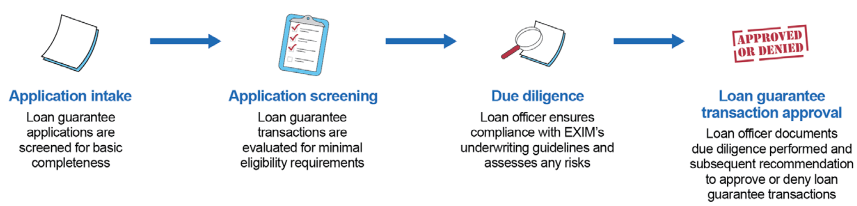
What GAO Found

The Export-Import Bank of the United States' (EXIM) loan guarantee transactions are approved by EXIM's Board of Directors, staff with individual delegated authority, or delegated authority lenders. The underwriting process for loan guarantee transactions approved by EXIM includes several steps, such as screening applications for completeness, reviewing for minimal eligibility requirements, and performing due diligence to assess transactions' risks.

Selected Underwriting Processes EXIM Performs for Loan Guarantees



Source: GAO analysis of Export-Import Bank of the United States (EXIM) data. | GAO-26-108530

EXIM followed its underwriting guidelines but has not fully leveraged available data to identify participants with delinquent federal nontax debt. By law, a person owing certain outstanding delinquent federal nontax debt is generally not eligible for loans or loan guarantees.

EXIM has a policy to review participants for delinquent federal nontax debt using the System for Award Management's Debt Subject to Offset data during the underwriting process prior to EXIM's Board of Directors' approval. However, its policy does not require a review for such debt in transactions approved by staff with individual delegated authority.

EXIM has relied on a third-party vendor database since April 2023 to screen all loan guarantee participants for delinquent federal debt. While the database may identify participants that are delinquent on some federal tax debt, it does not identify those with delinquent federal nontax debt (e.g., delinquent student loans).

The Payment Integrity Information Act of 2019 requires executive agencies to use the Do Not Pay system to ensure that they make awards and payments—including loan guarantees—only to eligible recipients. EXIM does not have policies and procedures to use Do Not Pay to review transaction participants for delinquent federal debt prior to approval.

The System for Award Management and Do Not Pay are available at no cost and can provide more delinquent federal debt data than the third-party vendor; this could help EXIM make better-informed eligibility decisions prior to transaction approval.

Why GAO Did This Study

EXIM's mission is to support the export of U.S. goods and services through direct loans, loan guarantees, working capital loan guarantees, and export credit insurance.

EXIM's legal authorization includes a provision for GAO to evaluate EXIM's underwriting process for its loan guarantee transactions. This report assesses the extent to which EXIM complied with its guidelines for vetting and monitoring delegated authority lenders and underwriting loan guarantee transactions approved by the Board of Directors or staff with individual delegated authority to mitigate credit risk from October 1, 2022, to December 31, 2025.

To conduct this review, GAO reviewed EXIM's policies and procedures for loan guarantees, interviewed EXIM officials, and tested approved loan guarantee transactions made from October 1, 2022, to December 31, 2025.

What GAO Recommends

GAO is recommending that EXIM develop and implement underwriting procedures to use available resources, including the System for Award Management and Do Not Pay, to help ensure that loan guarantee transactions are not approved for ineligible participants with delinquent federal debt. EXIM agreed with GAO's recommendation.