Similar to other lending instruments, the maturity of export financing should match the respective asset it is financing. Whether this asset is an open trade account or a long-term infrastructure project, the export financing instrument should extend to, and mature with the expected realization of the asset being financed. Terms on these instruments can be as short as several months or as long as several years.

The interest rate on a debt instrument reflects the lender's perception of the risk involved in recovering the loan. The elements to keep in mind in dealing in any export market are directly related to the rate of interest the exporter should expect to pay for financing an export sale. If additional security — beyond the asset that gave rise to the export sale — is provided for in the export loan, the risk to the lender is significantly reduced and a corresponding reduced rate of interest should be applied.

Without additional security, exporters should not be surprised that the rates being quoted for such instruments touch on what seems to be usury by normal business standards. However, higher rates under these circumstances are normal in many of today's export markets.

What constitutes security for an export loan is never as simple an exporter would want. Export lenders operate as going concerns and will limit, whenever possible, their risk of losing the principal they have advanced against the export sale. There are no set rules for determining the amount of security an export lender generally looks for, nor are there precedents or "rules of thumb" that an exporter uses. Exporters must do their homework and be prepared to enter into negotiations over the amount and quality of the security and the representations and warranties that they will be expected to provide for an export loan.

Ultimately, the success of a negotiation will determine not only the interest rate on the export loan but may, for loans that are substantial to the business, determine how the rest of the business operates in the future. Future borrowing capacity, covenants on existing loans and the ability to manage the obligation are among the factors that the exporter should always be aware of when seeking export financing.

A company's asset base is the key to successful export financing or any other financing a company undertakes. An abundance of unencumbered assets of reasonable quality will result in a better interest rate, less strenuous payment terms and less onerous financial covenants than would otherwise be the case.