

# CONSIDERATIONS FOR EXIM'S REAUTHORIZATION

## Insights from OIG's Oversight Work

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Office of Inspector General  
Export-Import Bank of the United States

The Export-Import Bank of the United States' (EXIM) current authorization expires on December 31, 2026. Last authorized by Congress in December 2019, past EXIM reauthorizations incorporated changes to the agency's Charter, which outlines EXIM's statutory authority. For example, previous reauthorizations added new programs and mandates such as the creation of the China and Transformational Exports Program (CTEP) in 2019. Congress also used prior reauthorizations to establish key agency positions and place conditions on EXIM lending activities.

## ABOUT EXIM

EXIM is the official export credit agency of the United States with the purpose of promoting and supporting American jobs by providing export credit financing to help U.S. companies compete for global sales through loan guarantee, direct loan, working capital guarantee, and insurance programs.

Office of Inspector General (OIG) oversight of EXIM can aid congressional stakeholders in understanding EXIM's programs and operations as it considers EXIM's reauthorization. This informational report analyzes and summarizes OIG's prior work, recommendation closeout activities, and recently announced changes within the agency to identify insights, trends, and persistent issues that may impact EXIM's operations and ability to fulfill its mission. In conducting this analysis, OIG identified considerations that may be useful in guiding deliberations on EXIM's reauthorization. These include (1) evolving strategic priorities; (2) balancing portfolio risk management and competitiveness; and (3) ongoing human capital gaps and constraints. Further, analysis of previous OIG findings indicate that managing agency operations has remained a challenge for EXIM since it was last reauthorized in 2019. The insights included in this report are intended to be a resource summarizing OIG's oversight of the agency; OIG takes no official position on EXIM's reauthorization, including potential changes to the agency's Charter.

## EVOLVING STRATEGIC PRIORITIES

EXIM's strategic priorities have shifted considerably since the agency's last reauthorization, driving an increased focus on EXIM's ability to advance national economic and security interests. EXIM's primary mission is to support U.S. jobs through exports, and the agency is expanding work in support of broader policy goals central to trade and national security. Prior to December 2019, EXIM's Charter was amended, directing that the agency prioritizes lending to small businesses, supports U.S. exports to Sub-Saharan Africa, and expands exports of environmentally beneficial goods and services. These priorities continue to be part of the Charter. As part of the December 2019 reauthorization, Congress mandated that EXIM establish CTEP to compete with the People's Republic of China (PRC) and advance U.S. exports in identified transformational export areas, including artificial intelligence, quantum computing, and biomedical sciences. More recently, in April 2022, EXIM's Board of Directors (Board) approved the establishment of the Make More in America Initiative (MMIA), which provides domestic financing capabilities focused on building critical domestic supply chains. In January 2025, EXIM's Board created the Supply Chain Resiliency Initiative (SCRI), which added import financing capabilities to secure critical mineral and rare earth supply chains and decrease reliance on the PRC.



OIG added **ADVANCING U.S. ECONOMIC AND STRATEGIC INTERESTS** to its Major Management Challenges in 2022.



During congressional testimony in March 2026, EXIM’s President and Chairman stated that EXIM is “no longer simply an export credit agency. It is a strategic economic tool.”<sup>1</sup> EXIM’s most recent update to its Strategic Plan is indicative of that change and focuses on five strategic goals: (1) support American jobs; (2) fuel American energy dominance; (3) fortify supply chain security; (4) finance the industries of the future, such as artificial intelligence and advanced technologies; and (5) win through excellence.<sup>2</sup>

OIG’s oversight work<sup>3</sup> related to EXIM’s implementation of strategic priorities and mandates found that EXIM had challenges in effectively implementing and coordinating these mandates, including a lack of a clearly designated program office accountable for coordination, insufficient strategic design, and the absence of performance metrics to assess progress and outcomes.

- OIG’s May 2024 evaluation of EXIM’s Sub-Saharan Africa Mandate found that EXIM had not successfully expanded its performance to achieve its Sub-Saharan Africa Mandate. Additionally, the evaluation found that no specific program or office within EXIM had been explicitly designated with the responsibility and authority to coordinate the efforts or oversee the strategy to address the Sub-Saharan Africa Mandate.
- OIG’s August 2024 evaluation of EXIM’s Environmentally Beneficial Goods and Services Mandate found that improvements were needed in expanding the adoption of EXIM’s Environmental Exports Program (EEP) with U.S. exporters. The evaluation also found that EXIM’s EEP transactions represented a small percentage of EXIM’s overall portfolio.
- OIG’s August 2024 review of CTEP found that the program had not been strategically designed and did not establish a clear performance management framework. For example, CTEP operated without clearly defined roles, performance metrics, or a formal framework to guide implementation. Additionally, OIG found that EXIM staff had differing interpretations and confusion regarding the program’s goals, which contributed to challenges in aligning program activities with statutory priorities and assessing progress toward the mandate.

Since the completion of these three products, EXIM has taken steps to implement OIG recommendations. For example, EXIM combined the CTEP office and the Office of Global Business Development under one Senior Vice President in 2025 to integrate CTEP more fully into the agency’s outreach activities and transaction origination process. In another example, EXIM added a specific metric to its Annual Performance Plan that focuses on promoting the expansion of EXIM’s financial commitments in Sub-Saharan Africa. As of May 2026, five of 16 recommendations from these three reports remain open, including two recommendations related to the CTEP mandate that direct EXIM to define roles and responsibilities and establish a clear performance management framework. At the time of this report’s publication, OIG is completing an evaluation of the MMIA Initiative that will be issued in FY 2026. OIG has not yet conducted oversight work related to SCRI.

## BALANCING PORTFOLIO RISK MANAGEMENT AND COMPETITIVENESS

EXIM faces ongoing challenges in balancing its statutory portfolio risk management requirements while supporting national economic and security interests and remaining competitive. EXIM’s Charter mandates that the agency maintains a default rate of less than two percent. If EXIM exceeds this rate, all financing stops until the default rate falls under two percent. OIG has completed substantial oversight work related to EXIM’s default rate cap and broader portfolio risk management structure. Although EXIM has generally strengthened

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<sup>1</sup> [Written Statement](#) of John Jovanovic, President and Chairman of the Export-Import Bank of the United States, for the U.S. House Committee on Financial Services, Subcommittee on National Security, Illicit Finance, and International Financial Institutions hearing titled, *Oversight of the Export-Import Bank* (March 18, 2026).

<sup>2</sup> EXIM’s *Strategic Plan, FY 2026 - 2030*.

<sup>3</sup> See page 6 of this report for a complete list of relevant oversight conducted by OIG and the Government Accountability Office.

its risk management practices and maintained a default rate below the mandated two percent, OIG reports continue to identify challenges in balancing statutory risk requirements with broader strategic objectives, including competition with foreign export credit agencies (ECAs).



## MANAGING PORTFOLIO RISK

Recent OIG oversight indicates that EXIM is generally effective in managing the various risks to EXIM’s portfolio; however, some gaps remain. For example, in OIG’s latest review of EXIM’s portfolio risk management procedures and Chief Risk Officer responsibilities, OIG found that the Chief Risk Officer’s role matured and expanded since its initial inception in December 2015. Additionally, OIG found that EXIM established policies and procedures, training and tools, and integrated roles and responsibilities to manage portfolio risk. Further, OIG found that EXIM remained responsive in implementing recommendations from OIG and other external entities regarding portfolio risk management.

OIG added **ADDRESSING PORTFOLIO RISK** to its Major Management Challenges in 2022.

In a separate report on concentration risk in the aircraft industry, OIG found that EXIM took steps to manage heavily concentrated risks in the aircraft sector and generally completed due diligence analysis prior to authorization. However, OIG identified gaps between policy and process, including identifying when legal analysis and collateral assessments are required for aircraft transactions. The three recommendations related to this report remain open pending implementation of corrective action. Similarly, OIG’s review of stranded assets risk found that EXIM had policies and procedures to consider potential stranded assets risks within EXIM’s portfolio and that risks within EXIM’s portfolio have evolved. The review did find that EXIM did not document impairment assessments for some transactions which could impact asset recovery in the event of a default.

OIG audited EXIM’s direct loan program in 2025, which accounts for approximately 40 percent of EXIM’s credit exposure. OIG determined that EXIM generally managed its direct loan program in compliance with federal guidance. However, OIG found that EXIM did not have a policy that covered changes in exposure fees.<sup>4</sup> OIG also found that EXIM’s published guidance was silent on or inconsistent with its co-financing activities regarding direct loans.

Finally, the U.S. Government Accountability Office’s (GAO) review of EXIM’s fraud risk management found that EXIM has generally monitored and evaluated the effectiveness of its fraud prevention activities in accordance with GAO’s leading practices. GAO noted, however, that EXIM did not fully engage with external stakeholders, such as lenders and export credit insurance partners, to inform its fraud risk management activities. As such, GAO determined that EXIM was not well positioned to fully understand the landscape of fraud risks and vulnerabilities facing the agency.

## TWO PERCENT DEFAULT RATE

Multiple OIG reports note that the two percent default rate impacted EXIM’s competitiveness and ability to manage risk. For example, OIG’s review of default rate management practices found that EXIM complied with statutory default rate requirements; however, the default rate calculation contributed to the agency’s limited progress in meeting CTEP’s allocation goals during initial implementation of that program. Separately, OIG

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<sup>4</sup> An exposure fee is the percentage of the loan, loan guarantee, or insurance policy that EXIM charges to cover the risk of nonpayment.

completed a comparative analysis of other ECAs who are party to the Organisation for Economic Cooperation and Development’s (OECD) *Arrangement of Officially Supported Export Credits*. OIG found that EXIM was the only OECD ECA that had a two percent default rate cap, as well as a requirement to impose a total freeze on lending activity should the cap be exceeded.

Additionally, GAO reporting noted the negative impact of EXIM’s default rate cap. Specifically, GAO coordinated with experts across academia, government, and private sector who identified the need for increased financial risk tolerances in competing with the PRC for international infrastructure projects. These experts noted that EXIM’s default rate cap limits the amount of risk EXIM can take and suggested creating a default rate “carveout” for CTEP-related transactions.

## PERSISTENT HUMAN CAPITAL GAPS AND CONSTRAINTS



OIG added **MANAGING AGENCY OPERATIONS** and **IMPROVING ORGANIZATIONAL CULTURE** to its Major Management Challenges in 2022 and 2023, respectively.

OIG has linked staffing resource challenges to EXIM’s major management challenges since at least 2013. OIG reporting issued during the last two years noted that staffing challenges impacted EXIM’s ability to manage operations and process transactions. For example, OIG found that staffing challenges within EXIM’s CTEP office contributed to CTEP’s lack of strategic design. Additionally, OIG found that EXIM’s Office of Human Capital lacked sufficient staffing resources to complete current operational requirements and address key strategic tasks. Further, EXIM faced challenges managing a “retirement cliff” with almost 50 percent of employees being eligible to retire by FY 2028 at the time of OIG’s evaluation in August 2024. Other oversight work identified critical gaps in technical expertise, including engineers and underwriters. Separately, OIG noted employee morale and organizational culture issues as ongoing issues in Major Management Challenges reports issued between FYs 2023 and 2025.

EXIM has taken steps to address gaps in staffing and close OIG recommendations. For example, EXIM addressed recommendations related to staffing for CTEP implementation and environmental reviews. Additionally, EXIM established a Strategic Hiring Committee in 2025, as required by guidance issued by the Office of Management and Budget and Office of Personnel Management, to help ensure that hiring decisions aligned with national interest, mission needs, and Administration priorities.<sup>5</sup> However, OIG has not assessed the committee’s effectiveness nor EXIM’s more recent actions to address persistent staffing gaps.

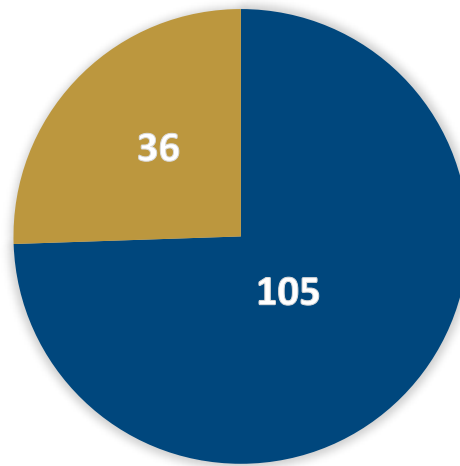
## RECURRING CHALLENGES IN MANAGING AGENCY OPERATIONS

Managing agency operations challenges remain especially significant because they cut across nearly every aspect of the agency’s performance, including internal controls, staffing, and program execution. OIG findings and recommendations aligned most frequently with challenges related to managing agency operations, representing 105 (or 74 percent) of all OIG findings since the last reauthorization (See Figure 1). As Congress considers EXIM’s reauthorization, these challenges may affect EXIM’s capacity to carry out its mission and respond to evolving policy priorities.

<sup>5</sup> The Office of Management and Budget and Office of Personnel Management memorandum, *Guidance on Executive Order 14356, Ensuring Continued Accountability in Federal Hiring* (November 5, 2025), requires federal departments and agencies to implement a strategic hiring committee, pursuant to Executive Order 14170, *Reforming the Federal Hiring Process and Restoring Merit to Government Service* (January 20, 2025).

## Figure 1. Total OIG Findings Associated with Managing Agency Operations

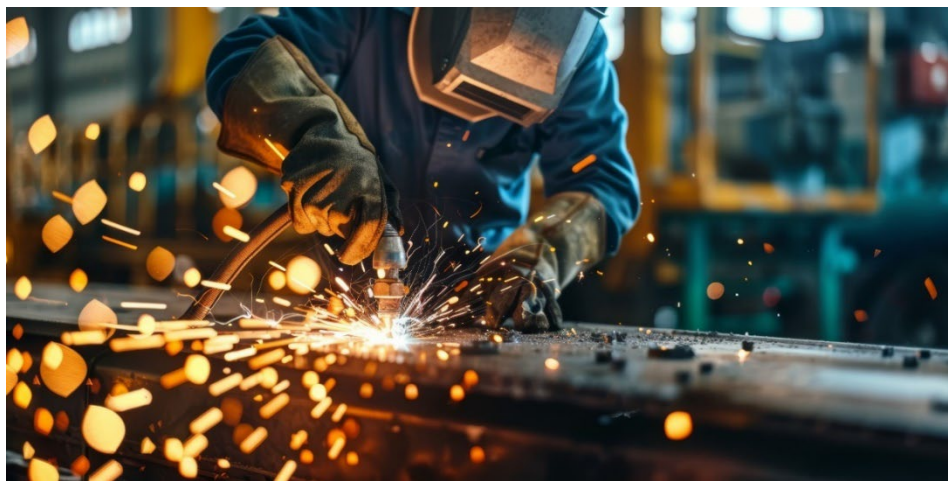
■ Related to Managing Agency Operations ■ Other Management Challenges



Source: Analysis of OIG reports issued between December 2019 and May 2026.

To address gaps and issues related to managing agency operations, OIG issued 175 recommendations, which often called for EXIM to establish or update policies, procedures, or other formal guidance; strengthen internal controls; and enhance risk monitoring practices. For example, OIG recommended that EXIM establish a risk control framework, implement training policy, develop strategic goals, and define roles and responsibilities. Having clear policies and procedures can enhance staff’s ability to understand the roles and responsibilities of key positions across the agency as well as create effective, repeatable processes for implementing EXIM’s various programs.

Notably, 19 findings related to managing agency operations, or 18 percent, were “positive,” where EXIM implemented its programs, procedures, and processes as required by federal or agency regulations and/or guidance. These included observations related to economic impact, the accuracy of financial statements, and the maturity of EXIM’s information security program. In addition, EXIM has been responsive in addressing recommendations associated with managing agency operations, with 152 of those recommendations (or 87 percent) being closed as either implemented, unimplemented, administrative closure, or no further action.<sup>6</sup>



<sup>6</sup> Approximately 10 percent of these recommendations were either closed as unimplemented, administrative closure, or no further action.

## SCOPE AND METHODOLOGY

Research for this document was conducted from March to June 2026 in accordance with the *Quality Standards for Federal Offices of Inspector General* (Silver Book), issued in August 2012 by the Council of the Inspectors General on Integrity and Efficiency. OIG staff reviewed prior oversight reports issued by OIG and the Government Accountability Office to identify persistent trends, issues, and areas for potential improvement. OIG analyzed previously issued reports and associated recommendations closure requests and documentation, publicly available information, and applied professional judgment to synthesize the information and develop this document.

## RELEVANT OVERSIGHT REPORTS

### OIG REPORTS

- *Review of EXIM's Concentration Risk in Aircraft Industry Sector* ([OIG-SR-26-01](#)), March 31, 2026
- *Evaluation of EXIM's Portfolio Risk Management Procedures and Chief Risk Officer Responsibilities* ([OIG-EV-26-01](#)), February 26, 2026
- *Fiscal Year 2025 Major Management Challenges* ([OIG-O-25-08](#)), September 30, 2025
- *Review of Stranded Assets Risk to EXIM's Portfolio* ([OIG-SR-25-03](#)), September 30, 2025
- *Audit of EXIM's Direct Loan Program* ([OIG-AR-25-05](#)), September 23, 2025
- *Evaluation of EXIM's Human Capital Function* ([OIG-EV-24-03](#)), August 14, 2024
- *Review of EXIM's China and Transformational Exports Program* ([OIG-SR-24-02](#)), August 8, 2024
- *Evaluation of EXIM's Environmentally Beneficial Goods and Services Mandate* ([OIG-EV-24-02](#)), August 27, 2024
- *Evaluation of EXIM's Sub-Saharan Africa Mandate* ([OIG-EV-24-01](#)), May 13, 2024
- *Comparative Analysis of U.S. and OECD Arrangement Export Credit Agencies* ([OIG-EV-23-04](#)), September 29, 2023
- *Review of EXIM's Default Rate Management Practices* ([OIG-EV-23-01](#)), October 14, 2022

### GAO REPORTS

- *Improved External Stakeholder Engagement Could Enhance Fraud Risk Management* ([GAO-26-108469](#)), May 19, 2026
- *International Infrastructure Projects: China's Investments Significantly Outpace the U.S., and Experts Suggest Potential Improvements to the U.S. Approach* ([GAO-24-106866](#)), September 12, 2024

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