



MERCHANT CASH ADVANCE PROGRAM

Merchant Cash Advances vs Bank Loans

MERCHANT CASH ADVANCES

VS

BANK LOANS

No fixed time period

Payback is based on a percentage of the business' future credit card sales

Fixed time schedule

i.e, 3 year loan, 5 year loan, 7 year loan, etc.

No interest rate

There is a discounted rate, typically \$0.74 on \$1.00

Interest rate

No fixed monthly payment

Fixed monthly payment

High approval rates for qualified applicants

Very low approval rates

Businesses must process credit cards for a minimum of 60 days

Typically want to see 2 to 3 years of operating history

Quick decisions

Conditional approvals as fast as 24 hours

Decision process can take weeks

Fast funding

Receive funding in 7-10 business days if merchant sends required documents in a timely manner

Funding time can be several weeks or up to one month

No extensive paperwork

Often requires tax records, lists of collateral and business plans

No true personal guarantee

Collateral and personal guarantee required

Requires credit scores of 500 or above

Often requires credit scores of 650+

Note: This is a purchase of future credit card receivables and not a loan product.

American Capital Advance