



# 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 business days or less 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.

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