

Businesses Turn to Merchant Cash Advances Due to 2011's Continuous Economic Downturn, Merchant Cash in Advance

In 2011, fewer than 8 percent of new businesses were approved for business loans. New merchant cash advance provider, MerchantCashinAdvance.com shows a 322% growth in Merchant Cash Advance requests from businesses.

New York, NY (PRWEB) June 18, 2011

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New business owners who need an instant access to cash for capital are in luck. There is an emerging industry that wants to help them. These are [merchant cash advance](#) providers, namely MerchantCashinAdvance.com. This is a relatively new player to the credit granting bodies. They have only been around for ten years but have grown significantly to more than 50,000 providers for 2011.

Strong Credit Card Sales Leave Merchants With an Alternative to Business Loans:

Regulators are now swooping down in terms of scrutiny and the merchants are in a huddle to promote industry standards. These merchant cash advance providers offer a lump sum payment to businesses. In exchange, they get a share of sales in the future. Companies that are targeted are mostly retail, restaurant and service oriented businesses. These usually have strong credit card sales but have bad credit. This means they don't qualify for loans. The question here for businesses that take avail of the offer is how much do these advances compare to an interest on a loan or credit line.

Keep in mind, receiving [Merchant Cash in Advance](#) is NOT a loan. No collateral or require requirements. MerchantCashinAdvance estimated a 95% approval rate for new merchants looking to obtain merchant cash advances.

According to Leonard C. Wright, an accountant for San Diego and a columnist for the American Institute of CPAs, the interest rates can go from 60% to 200% APR. He recommends businesses to have no other options to go for the cash advance but fully understand what the costs are. Merchant cash advance providers are protesting the allegation. They remain that they are not loans. Instead, the deal they get from the cash advance is a purchase or a sale of an income that they will get in the future. Can pay less

Interestingly enough, merchant cash advances are not under the obligation of law that otherwise regulates lenders and puts ceilings on interest rates. They do not require a fixed payment and instead collects a regular percentage out of the merchant's daily credit card sales. This goes on until the advance and premium is recovered ideally in less than 12 months. The advantage to this says merchant cash advance business owners is that their payment is dependent with their cash flow.

Uniquely, MerchantCashinAdvance.com charges 0 percent interest on merchant cash advances.

"They can pay less when business is slow in certain months."

Merchant Cash Advances have NO scheduled due date or monthly payments. Most importantly, businesses have opted for merchant cash in advance because it has no reflect on the applicant's credit.

This differs from a credit or loan where there is a set date when they need to pay. Fixed payments also have to be done on a schedule.

"In a merchant cash advance, there is no schedule of fixed payments and there is no due date" says a representative of [MerchantCashinAdvance.com](#), the pioneer in the merchant cash advance industry.

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Merchant Cash in Advance

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Begin Small Business Assistance Process

- No Collateral Needed
- No Credit Requirement
- 12 Month Payback Option

Step 1: Enter Your Business Name

Step 2: Amount of Merchant Cash Advance

Step 3: Your Business Average Processing Volume

Under \$10,000 /mo



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