# Think before you take a merchant loan by Joseph Richard

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If you are an entrepreneur who is setting out to start a business then you will know that one of the main tasks you have on hand is finding the funding you need. Several new start-ups as well as those who have been in business for a short while require funding from time to time. Not always is it possible for them to go to a commercial lending outlet to get what they need. In such cases, an alternative form of finance comes from a merchant cash advance.

A merchant cash advance is basically funding that is given to a business in exchange for a percentage of future credit card sales that you have. What this percentage is, is something that is agreed upon by both the lender and you. Qualifying for a loan is rather easy. Most places require that you be in business for a minimum of three months. If you have been able to log in around $5000 in credit card sales, you should get an approval in no time. Your credit history will not be looked into and neither will you be asked for a collateral. The main advantage is that you will be able to repay the loan based on percentages from your sales. Should you have had a particularly bad month, then you will be exempt from paying. You are given a broad margin of 6 months to a year to repay the loan, depending on the amount that you have taken.

There are several reasons why you need the loan â€“ it may be pay out salaries on a difficult month, you may want to expand the business or bring in a new piece of machinery that is critical functioning of your business. Or you may just want to consolidate all your outstanding loans and get things in order.

Most merchants find that the rate of interest is prohibitive. In fact, considering that merchant advance lenders are not under the purview of any bank, they do not have any regulatory body that fixes the rate of interest. One however cannot claim ignorance on this simply because, a rate of interest on your loan is pre-determined and you cannot get your money without knowing how much you will be paying in interest.

Getting such loans is rather easy and the paperwork required is minimal. A lender will take a maximum of 72 hours in which to approve of your loan. Once this is done you will have the money in your account in a weekâ€™s time, which is altogether much faster than a commercial lending outfit.

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Joseph Richard - About Author:
Since 2005,Merchant Cash and Capital, LLC has been one of the nationâ€™s small business cash advance funding leaders. MCC has helped business owners who need funding and canâ€™t wait for a business loan.  Bad credit business loan options with a merchant cash advances made simple. For more information please visit MCC on the web at a www.merchantcashandcapital.com.

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