

## Asset Finance

VS

## Merchant Cash Advance

VS

## Unsecured Loan

Borrowing against assets that a business may be purchasing or already own. Various assets may be used including machinery and vehicles.

A way for businesses who accept card payments to borrow a fixed sum with repayments being taken against future sales by card.

A way for businesses to borrow a fixed sum over a pre-agreed term without needing to offer physical security.

### ADVANTAGES

- Can be easier to obtain than traditional bank loans
- Fixed payments ensure budgeting and cash flow can be simply managed
- Failure to repay only results in the loss of assets, nothing more

### DISADVANTAGES

- Risk of losing important assets required for running a business
- Value of the secured assets can vary – risk of low valuations

### ADVANTAGES

- Flexible facility allowing greater repayments during busy periods, less when quiet
- No fixed repayment term
- Can be obtained quickly and acceptance rates from lenders are high

### DISADVANTAGES

- Can be relatively expensive
- Generally considered a short term borrowing option

### ADVANTAGES

- Can generally be used for any legitimate business purpose
- Early repayment is usually possible without cost
- Funds can be obtained relatively quickly

### DISADVANTAGES

- More difficult to obtain if applicant has poor credit
- Costs will be higher than for secured loans