BusinessImpactNW

MERCHANT CASH ADVANCES: THE HIDDEN RISKS

WHAT EVERY SMALL BUSINESS OWNER NEEDS TO KNOW BEFORE SIGNING.

WHAT IS A MERCHANT CASH ADVANCE (MCA)?

- You receive cash upfront and repay it using a percentage of your future sales
- Repayments are taken daily or weekly directly from your bank account
- **Not technically a loan, so fewer protections apply**
- These loans can originate from sources you already use, like Square, Shopify, or Intuit

WHY MCAS CAN BE DANGEROUS

- Extremely high costs (often equivalent to 40%-350% APR)
- Confusing terms (factor rates instead of interest rates)
- No flexibility if your revenue drops

REAL IMPACT ON YOUR BUSINESS

- Daily repayments can strain cash flow
- Harder to cover payroll, rent, and inventory
- May trap businesses in a cycle of re-borrowing

ALREADY HAVE AN MCA?

YOU MAY HAVE OPTIONS.

[If you currently have a Merchant Cash Advance and want to refinance, that may be possible.]

- Business Impact NW may be able to help you explore refinancing into a more affordable, transparent loan
- Talk to our team, no judgment, just support

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