MONEY MAN 4 BUSINESS®

"Excellency in Business Solutions and Services"



Fast Money or Smart Money?

The Complete Small Business Financing Guide: Loans, Lines of Credit, SBA Programs and Merchant Cash Advances Compared

16 chapters • Industry playbooks • Checklists



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A Note to Business Owners

When cash is tight, the fastest offer feels like the best offer. But the easiest application can become the hardest payment in your business. This guide brings together lessons from our blog to help you judge financing on what really matters: how much you receive, how much you repay, how often money leaves your account, and how much cash is left after every payment.



60%

of businesses that used online lenders said borrowing cost more than they expected (Federal Reserve 2026 Small Business Credit Survey).

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Part 1:

Understanding the Cost of Money

Before comparing lenders, learn to compare prices.



Chapter 1: Interest Rates vs. Factor Rates



- A 12% interest rate and a 1.30 factor cannot be compared directly.
- Loans quote interest and ideally APR.
- MCAs quote a factor or purchased amount, which is not an annual rate.
- Loan pricing depends on credit, revenue, cash flow, collateral, industry, term and purpose.
- Fixed rates keep payments steady; variable rates can change.
- Fees reduce net proceeds, so compare total repayment to the money you actually receive.

A factor rate is not an APR.

INTEREST / APR		FACTOR / PURCHASED AMOUNT
Quoted as an interest rate and ideally APR.		Quoted as a factor or purchased amount.
Repayment is typically scheduled over time.	VS.	Repaid through a percentage of future receivables.
Reflects your credit profile and loan terms.		Not an annual rate—total repayment varies with speed of payments.

Why Duration Changes the Real Cost

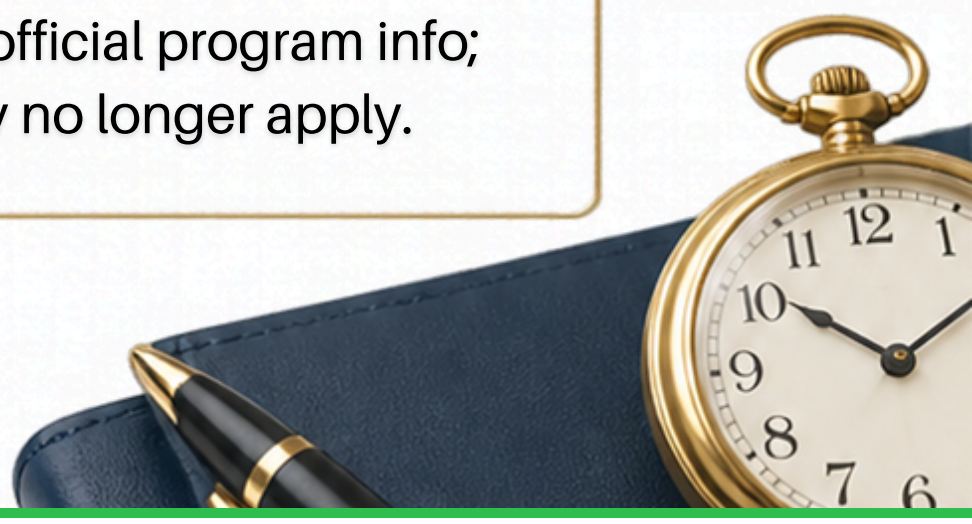
The same $15,000 cost paid over 5 years creates a very different cash-flow pattern than $15,000 paid over 5 months. Match long-term needs to long-term financing and short-term needs to short-term financing; misalignment is where most trouble starts.





FAQ: Where can I find current rates?

Use live lender quotes and official program info; old published numbers may no longer apply.



Chapter 2:
Payment Calculator vs. MCA Payback

Turn every offer into a monthly cash-flow number before signing. Loan calculators use principal, rate and term; with a fixed rate the payment stays the same while the interest share falls over time. Calculators may leave out origination or closing fees. An MCA is not an amortizing loan; it is defined by the advance, the purchased amount and how collections are made. Stress-test against a slow month; if the account would go negative, the financing is too aggressive.

LOAN CALCULATOR



- Fixed payment each month
- Interest share falls over time
- Principal balance goes down
- May exclude origination or closing fees

VS.

MCA PAYBACK



- Not an amortizing loan
- Defined by advance and purchased amount
- Payments come from collections
- Amounts fluctuate

CASH-FLOW GAUGE



Stress-test a slow month.
Stay in the green.

IF THE ACCOUNT WOULD GO NEGATIVE,

THE FINANCING IS TOO AGGRESSIVE.

Amortization Schedules & The Six Numbers



An amortization schedule shows opening balance, payment, interest, principal and ending balance for each period. Longer term = lower payment but more total interest.

Opening balance	Payment	Interest	Principal	Ending balance



Before any MCA, gather six numbers:

1. cash deposited
2. total amount collected
3. all fees
4. expected repayment duration
5. number of collections
6. lowest expected cash balance during repayment.

Chapter 3:

Loan Requirements vs. Fast MCA Approval



Documentation takes time, but an unmanageable repayment takes much longer. Requirements vary by lender, product, amount and industry. Lenders want to know: who owns the business, how long it has operated, revenue, current debt, purpose, and how the loan will be repaid. MCA approval looks easier because it relies on recent deposits and automated underwriting, but less paperwork does not mean lower cost.

What lenders evaluate

- Who owns the business
- Time in business & revenue
- Current debt & credit
- Purpose of the loan
- How it will be repaid

VS.

Why MCA approval can look easier

- Recent bank deposits
- Automated underwriting
- Minimal paperwork
- But: higher cost and daily or weekly collections

Document Checklist

- [ ] Recent bank statements
- [ ] business and personal tax returns
- [ ] profit & loss statement
- [ ] balance sheet
- [ ] debt schedule
- [ ] ownership info and ID
- [ ] projections
- [ ] AR/AP aging
- [ ] leases or purchase agreements
- [ ] collateral details



Tips

- ✓ reconcile bank statements
- ✓ explain overdrafts or tax issues
- ✓ write a short purpose statement
- ✓ add a forecast for growth requests

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Part 2: Choosing the Right Structure

Match the financing to the need, the asset and the cash cycle.



Chapter 4:
Business Line of Credit vs. MCA

A line of credit is revolving: draw, repay and draw again up to a limit – ideal for recurring gaps like inventory, materials or waiting on invoices.

An MCA is a one-time lump sum repaid from future revenue, often daily or weekly, and you must reapply each time.

Feature	Line of Credit	MCA
Reusable	Yes	No
Pricing	interest	factor
Collections	scheduled	daily or weekly
Best for	recurring gaps	one urgent gap with clear payoff

Warning: repeated advances signal a bigger problem.

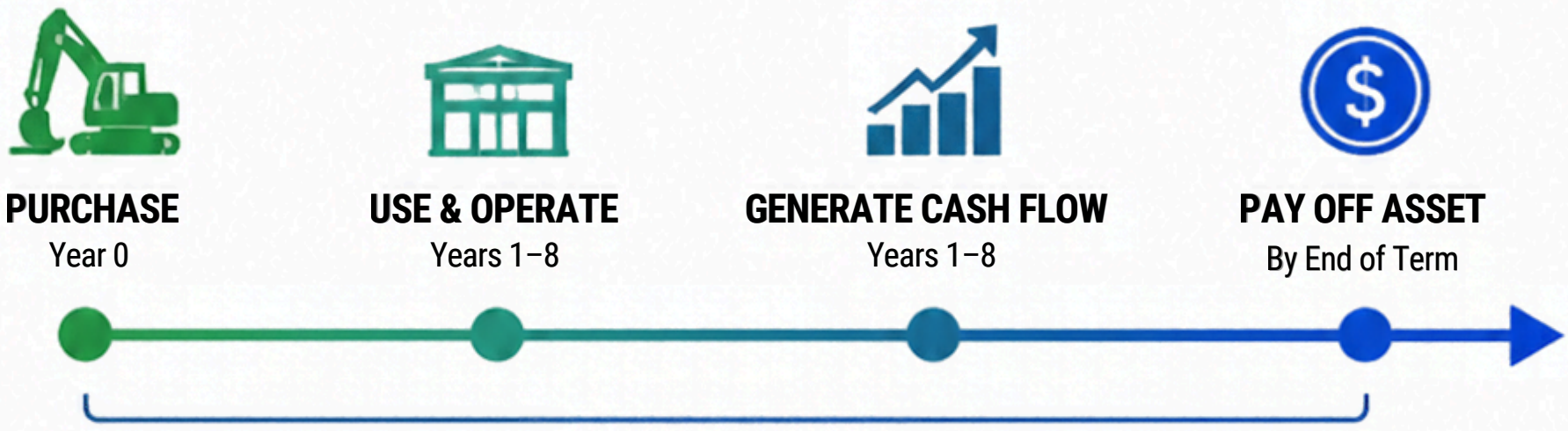




Chapter 5:
Long-Term Loans vs. MCA

Repayment should match how long the asset or project takes to pay off. Financing an eight-year asset with a six-month repayment is a mismatch. Long terms suit equipment, new locations, acquisitions, remodels and eligible refinancing. Lower monthly payments can mean more total interest, so the payment must work over the full life. Taking new advances to repay old ones turns a cash problem into a debt problem.

ASSET LIFE TIMELINE



MISMATCH WARNING

Financing an eight-year asset with a six-month repayment **is a mismatch.**

Chapter 6:
Bridge Loans vs. Same-Day Funding

A bridge loan covers a temporary gap until a clear exit: a closing, a receivable, a sale or permanent financing. Same-day funding prioritizes speed and often has no built-in exit.



Rules

Borrow the minimum, know exactly what pays it off, model a 30/60/90-day delayed exit, build a timeline of draws, payroll, rent, suppliers and taxes.



A bridge should have a visible other side.

Chapter 7:
Fast Business Loans vs. Same-Day Funding



- "Fast" describes how quickly money arrives, not its price or terms.
- Example: losing an $80,000 contract over a $12,000 repair justifies fast financing; using fast money to cover old obligations does not.
- Same-day is a possible outcome, not a guarantee.
- Fast loans usually have fixed payments and a maturity date; MCAs collect daily from revenue.
- Test: a deal that only works in a good month is not a good deal.



Chapter 8:
Unsecured Loans vs. MCA



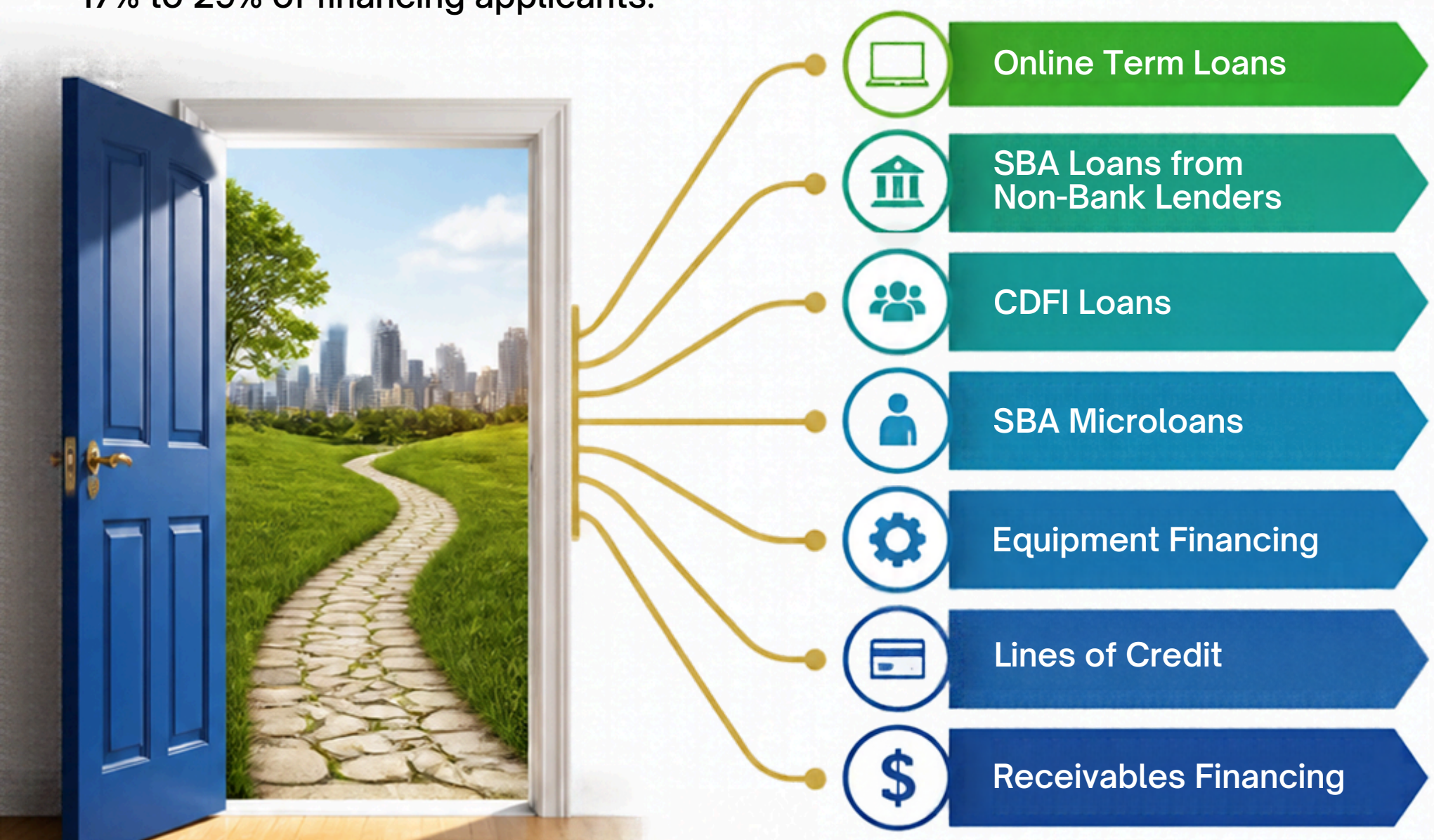
No collateral does not mean no risk. Unsecured loans may still require a personal guarantee or a general lien, and rely more on credit, cash flow and time in business.

Structure	(installments vs. sale of future revenue)
Pricing	(APR vs. factor)
Frequency	(monthly vs. daily/weekly)
Approval	(credit-focused vs. deposit-focused)

Read the security section of every contract.

Chapter 9:
Alternative Business Loans

A bank decline does not leave only one door open. Non-bank options: online term loans, SBA loans from non-bank lenders, CDFI loans, SBA microloans, equipment financing, lines of credit and receivables financing. Online lender use grew from 17% to 29% of financing applicants.



Ask every provider:

legal structure, net funding, all fees, payment frequency, term, liens, guarantees, and whether they are the lender or a broker.

Chapter 10:
SBA Loans vs. Same-Day Funding

The SBA usually guarantees loans made by participating lenders rather than lending directly. SBA 7(a) loans (up to $5 million) can fund working capital, equipment, owner-occupied real estate, acquisitions and eligible refinancing, usually with fixed monthly payments. The SBA Houston District serves 32 Southeast Texas counties; SBA Lender Match connects owners with lenders. One lender's decline does not mean all will decline. Weigh the cost of waiting against the cost of the money.

THE SBA LOAN PATHWAY



APPLY
Business owner applies with a participating lender.

LENDER REVIEWS
Lender evaluates credit, cash flow and documents.

SBA GUARANTEE
SBA guarantees a portion of the loan, reducing lender risk.

LENDER DECISION
Lender approves the loan and sets the terms.

FUNDS DISBURSED
Loan funds are disbursed to the business.

SPEED VS. COST — MAKE THE RIGHT CALL



SBA LOANS

Lower cost of money.

More time to qualify and fund.

SAME-DAY FUNDING

Higher cost of money.

Fast access when you need it now.



Chapter 11: Equipment Financing vs. MCA



Spread the cost of a long-lasting asset over the years it produces income. Compare the monthly payment to the monthly profit the equipment generates: if it makes **$8,000** gross profit but costs **$9,000** a month, it doesn't work.

Include delivery, installation, software, training, taxes and maintenance in the total cost.

MCAs may start collecting before the machine is even running.

EQUIPMENT LIFE: MATCH THE TERM

Year 1	Years 2-3	Years 4-6	Years 7-10	Year 11+
High Productivity	Peak Performance	Steady Return	Lower Efficiency	Replace or Upgrade

Match the term to the asset's useful life.

DOES IT MAKE SENSE?

MONTHLY GROSS PROFIT	VS.	MONTHLY COST
$8,000		$9,000

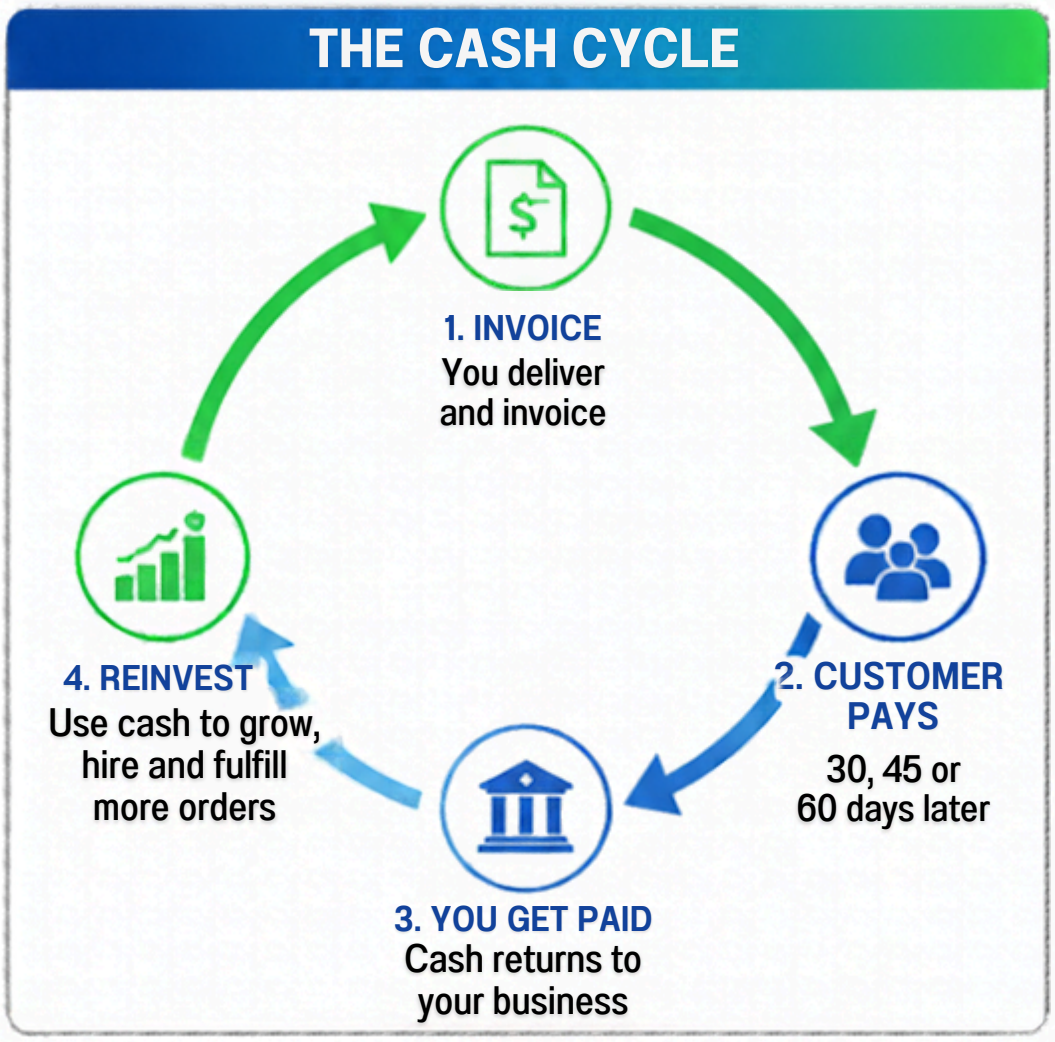
IF IT COSTS MORE THAN IT MAKES, IT DOESN'T WORK.

Chapter 12:
Invoice Financing vs. Cash Advances

When customers pay in 30, 45 or 60 days, the problem is timing, not sales. Invoice financing loans against (or sells) receivables and is repaid when the customer pays. Cash advances are based on deposits and collect daily or weekly regardless of when customers pay.

Example: waiting on a $75,000 invoice while daily withdrawals drain the account.

Best fit: staffing, manufacturing, wholesale, transportation and B2B services with reliable commercial customers.



INVOICE FINANCING VS. CASH ADVANCES

INVOICE FINANCING	CASH ADVANCES
Based on outstanding invoices or receivables	Based on future card or bank deposits
Repaid when the customer pays	Collect daily or weekly regardless of when customers pay
Supports longer payment terms and bigger orders	Flexible and fast access to cash
Better for cash flow planning and growth	Can be costly if sales are inconsistent

PART

3

Part 3: Industry Playbooks

Every industry has its own cash cycle.



Chapter 13: Construction Businesses



Payroll is due Friday, the supplier wants payment today, and the next draw is three weeks away. Contractors pay labor, subs, insurance, permits, fuel and deposits before getting paid. Input costs rose 71% year over year while bid prices rose only 3.5% (AGC, June 2026). Options: lines of credit, equipment loans, SBA Contract CAPLines, receivables financing. Build a job-by-job cash-flow forecast and model retainage separately. MCAs can drain accounts before large, uneven project payments arrive.

THE CONSTRUCTION CASH CYCLE



CASH GOES OUT EARLY.
CASH COMES IN LATER.

OPTIONS

- **LINES OF CREDIT**
- **EQUIPMENT LOANS**
- **SBA CONTRACT CAPLINES**
- **RECEIVABLES FINANCING**

Chapter 14:
Retail Businesses



Cash gets tied up in inventory before sales come in. Repayment should not be shorter than the time it takes to sell the merchandise. Lines of credit fit seasonal buying; term loans fit remodels, equipment and new locations. Holiday retailers spend in September–October and earn in November–December. Stress test at 90% of projected sales plus higher shipping, card fees, markdowns and seasonal labor.

INVENTORY-TO-SALES TIMELINE

BUY INVENTORY	INVENTORY RECEIVED	STORE PREP & MARKETING	SALES PEAK	CASH COLLECTION
Place orders and stock up	Inventory arrives and is stored	Set displays, promote, plan campaigns	Customers shop and sales occur	Cash comes in from sales
SEPTEMBER–OCTOBER	OCTOBER	OCTOBER–NOVEMBER	NOVEMBER–DECEMBER	DECEMBER–JANUARY

STRESS TEST

Test your plan at 90% of projected sales plus higher costs.

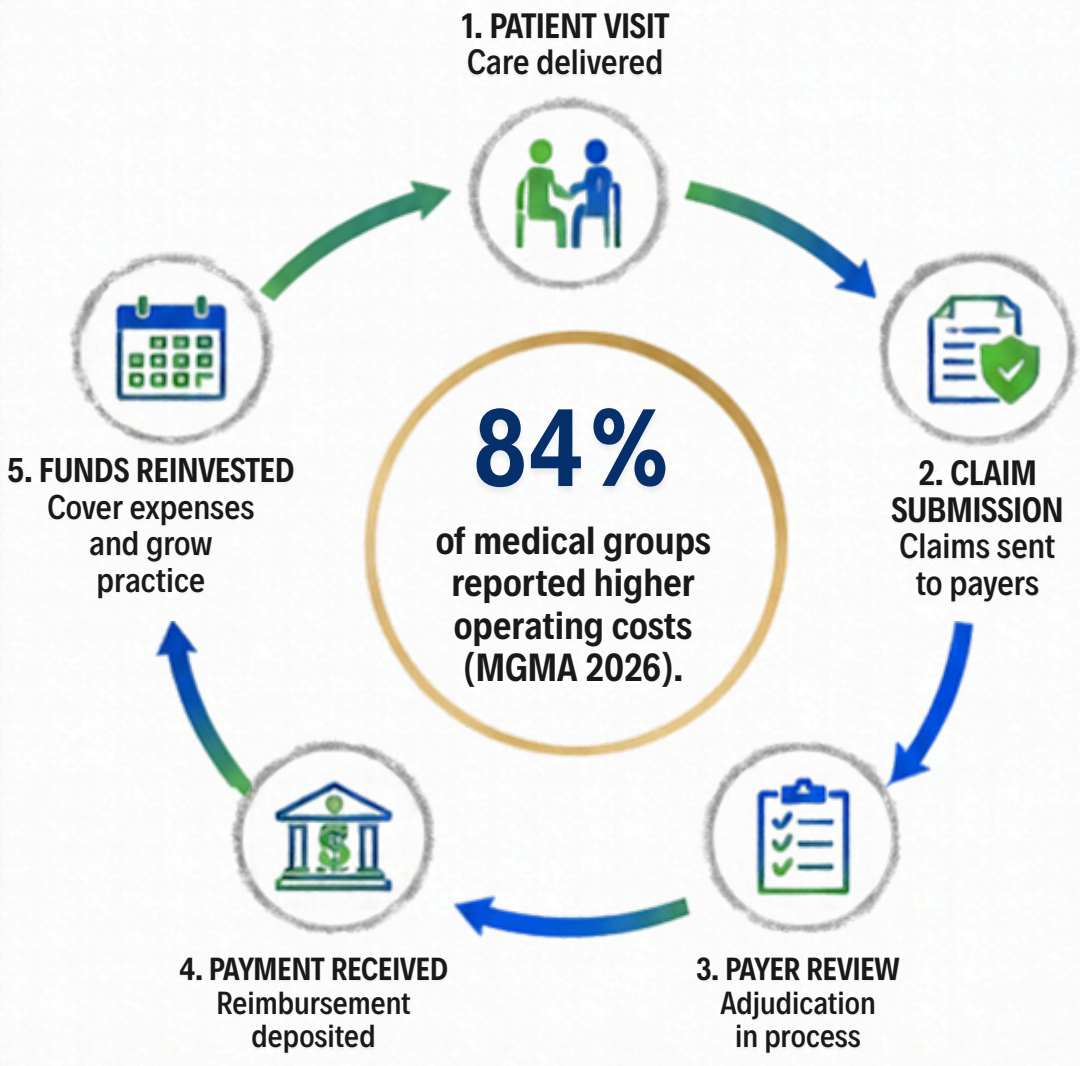
- HIGHER SHIPPING
- CARD FEES
- MARKDOWNS
- SEASONAL LABOR

Chapter 15: Medical Practices

84% of medical groups reported higher operating costs (MGMA 2026). Practices pay payroll, supplies and rent before reimbursements arrive. Term loans and equipment financing suit imaging and surgical systems; lines of credit suit fluctuating gaps; SBA 7(a) can fund equipment, real estate and acquisitions. Stress test by delaying receivables two to three weeks. Plan financing to cover ramp-up delays from credentialing, training and payer authorization.



MEDICAL PRACTICE CASH CYCLE



FINANCING FIT

TERM LOANS
Ideal for imaging and surgical systems.

EQUIPMENT FINANCING
Preserve cash for working capital.

LINES OF CREDIT
Cover fluctuating gaps in receivables.

SBA 7(A) LOANS
Fund equipment, real estate and acquisitions.

Chapter 16:

Startups

Runway is how long you can operate without new funding. Financing should extend runway, not shorten it. Startup loans have fixed amounts and payments; MCAs collect daily or weekly from sales that may not be predictable yet. Before borrowing: build a conservative monthly projection, cut sales 10–15%, model slow customer payments, higher ad costs and delayed launches. If it only works when everything goes right, the payment is too aggressive.



RUNWAY TIMELINE

MONTH 0
Funding received

MONTH 1-3
Build, test and attract early customers

MONTH 4-6
Refine offer and improve unit economics

MONTH 7-9
Scale channels and increase revenue

MONTH 10+
Path to sustainable growth

CONSERVATIVE PROJECTION CHECKLIST

- Cut sales 10–15%
- Model slow customer payments
- Assume higher ad costs
- Plan for delayed launches

WARNING

If it only works when everything goes right, the payment is too aggressive.

Part 4:
The Cash-Flow Stress Test



Run every offer through four scenarios: 1) sales drop 10–15%; 2) your largest customer pays two weeks late; 3) an unexpected repair or payroll expense; 4) a slow season. Then ask: can you still pay employees, vendors, rent and taxes?

01

Sales Drop 10–15%

What if sales drop 10–15%?

☐

02

Customer Pays Late

What if your largest customer pays two weeks late?

☐

03

Unexpected Expense

What if an unexpected repair or payroll expense hits?

☐

04

Slow Season

What if you hit a slow season?

☐

Choose the payment that survives a bad month.

Debt Stacking & Consolidation

Stacking happens when several advances pull from the same revenue: one funds inventory, another payroll, another a slow month.



WARNING SIGNS

- Daily withdrawals from multiple funders
- Borrowing to repay previous advances
- Constant worry about covering payroll

Consolidation can replace multiple high-cost payments with one predictable monthly payment. Compare remaining balances, new fees, new payment, term and total dollar savings before refinancing.

CONSOLIDATION COMPARISON

MULTIPLE ADVANCES	ONE CONSOLIDATION
Remaining Balances	Remaining Balances
Fees	Fees
Monthly Payment	Monthly Payment
Term	Term

TOTAL DOLLAR SAVINGS

The Pre-Signing Checklist



- [ ] net amount received;
- [ ] interest rate or factor;
- [ ] true APR or annualized cost;
- [ ] all fees (origination, broker, closing);
- [ ] total repayment;
- [ ] payment amount;
- [ ] payment frequency;
- [ ] term;
- [ ] collateral and liens;
- [ ] personal guarantee;
- [ ] prepayment terms;
- [ ] what happens if sales fall;
- [ ] lowest cash balance during repayment.



The Financing Matcher

Your Need →	Best-Fit Structure
Recurring working capital gaps	Business line of credit
Equipment or machinery	Equipment financing / SBA 7(a)
Real estate or expansion	SBA 504 / 7(a) / long-term loan
Slow-paying B2B customers	Invoice financing / factoring
Temporary gap with a clear exit	Bridge loan
True emergency with fast payoff	Fast business loan or short-term funding
Multiple high-cost advances	Debt consolidation / refinancing
New business	Startup or SBA microloan.

Glossary

- **APR** – annual cost of borrowing including fees.
- **Factor Rate** – multiplier that sets total MCA payback (e.g., 1.30).
- **Amortization** – paying down a loan through scheduled principal and interest.
- **Net Proceeds** – cash actually received after fees.
- **Personal Guarantee** – owner's promise to repay if the business can't.
- **Lien** – lender's legal claim on assets.
- **Stacking** – carrying multiple advances at once.
- **Retainage** – contract money withheld until project completion.
- **Runway** – how long a business can operate on current cash.
- **Consolidation** – combining several debts into one payment.



How Money Man 4 Business Helps

- 40+ loan programs including business lines of credit, SBA 7(a), SBA 504, SBA working capital & consolidation, 1–25 year non-collateral programs, commercial real estate, equipment financing, invoice factoring, and MCA/ACH short-term programs.
- Monthly payment options with terms from 1 to 25 years (subject to underwriting).
- CFO-level guidance with 34+ years of experience.
- Consolidation of eligible high-cost business debt.
- No credit inquiry, risk-free pre-approval.
- Rated Excellent on Trustpilot.



STRATEGIC CAPITAL.
LASTING IMPACT.

Position your business for stronger cash flow and long-term financial freedom.

Frequently Asked Questions



Is a factor rate an APR?

No – a factor shows total payback; APR is annualized.

Is an MCA always a bad choice?

No – it can serve a real urgent need if you understand total payback and collection frequency.

Is a line of credit the same as a term loan?

No – a line is reusable up to a limit.

Does same-day funding always arrive the same day?

No – it depends on provider, cutoffs and underwriting.

Can MCAs be consolidated?

Often, depending on revenue, credit, existing agreements and the program.

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