

Launch your Merchant Cash Advance program with LoanPro

MCA products have seen healthy growth over the past decade, and are expected to hit \$26.3B by 2029. And yet, this year defaults have surged 59% to \$2.2B. Originations are booming, but MCA providers aren't seeing the returns when they're unable to collect.

Legacy systems treat businesses like consumers, with rigid account structures and limited flexibility or monitoring. MCA providers are growing their portfolios on platforms that will leave them unprepared for the next default wave, turning each new origination into a potential time-bomb.

But with LoanPro, MCA providers see sustainable growth and higher margins. LoanPro proactively drives collections, reducing your credit losses while also streamlining your back-office processes to cut overhead costs.

55.3%

Average return per MCA account

330%

Average annual return

2 weeks

Time to value after launch

3x

Increase in portfolio size without increasing headcount

50%

Reduction in default rate in the first year using LoanPro

48 days

From contract to go-live

Two repayment models for advances

The MCA providers we've worked with tend to group their products into two broad categories based on how they get repaid:

MODEL 1

Revenue-based repayment

Directly garnishes a percentage of the business's daily transactions – repayment scales with revenue

MODEL 1

Installment-based repayment

Regularly scheduled payments in fixed amounts or with variability to accommodate cash flow needs

LoanPro's platform can support either method, but each does bring its own trade-offs and technical requirements.

	Revenue-based repayment	Installment-based repayment
Predictability	You're repaid at the rate your clients make money, complicating predictive analytics for your portfolio.	You're repaid in fixed installments for more regular and predictable income.
Flexibility	Payment amounts automatically scale based on income, matching clients' ability to repay.	Payments can either be at a fixed amount and schedule or customized for individual clients' revenue streams.
Infrastructure needs	Requires you to set up connections and payment tools that calculate and process daily balances, then post them to your ledger.	Leverages LoanPro's native AutoPay tools and integrations with payment processors.

OTHER MCA CONSIDERATIONS

Some aspects of MCA products stay consistent with either repayment model. For example, most MCA products draw revenue from fees at origination rather than accruing interest over time. LoanPro can track any number of fees with custom assessment logic and labelling, and accounts can have interest set to zero.

If an amount remains unpaid after a set term (typically a year), many MCA products automatically renew. LoanPro's amortization calculator can support those schedules, and comprehensive account modifications let you renew an account with different terms while retaining a full record of previous payments and client interactions.

B2B support

Most platforms treat B2B as an afterthought, leaving operational gaps in key areas. But with LoanPro, you have native support for your commercial credit programs.



Integrated KYB and AML

With LoanPro's Smart Verify, you can instantly perform KYB/AML and due diligence checks, as well as searching the court system for bankruptcies or liens filed against the company. Then, automatically perform ongoing portfolio monitoring



Support for other revenue-based financing models

Our configuration-first architecture allows you to rapidly launch, iterate, and scale any variety of commercial credit products, from invoice factoring to SMB card programs.



Multiple points of contact

Assign any number of contacts and employees to each account. For line of credit accounts, even offer multiple cards and access points with custom spending restrictions.

Launch today

Curious about launching your MCA product on LoanPro?

[Reach out to us.](#) We'd love to hear what problems you're facing and share the solutions other clients have found with LoanPro.