

Invoice Factoring Demand Climbs as Banking Credit Crunch Ensues

More small businesses are looking to alternative funding sources as banks limit funding in preparation for a recession.

HOUSTON, TEXAS, UNITED STATES OF AMERICA, May 23, 2023

/EINPresswire.com/ -- Leading invoice funding company Charter Capital says small businesses are exploring alternative funding sources as banks tighten lending requirements. Additional coverage of the topic can be found in "When to Consider an Invoice Factoring Service Instead of a Bank," which is now live on charcap.com.



When to Consider an Invoice Factoring Service Instead of a Bank

Small businesses often have a difficult time qualifying for traditional funding. Harvard researchers say this because banks typically have the same overhead administering a small loan as they do for a larger loan, and larger loans deliver greater profit. Even strong potential borrowers may be turned away in the best of times.

“

Businesses are leveraging factoring to shore up their own finances and prepare for banking issues caused by the uncertain economy too.”

Joel Rosenthal

Rising interest rates and a slowing economy further slowed lending as banks began to focus even more on quality and reduced risk over quantity, Reuters reports. In the wake of the recent Silicon Valley Bank and Signature Bank collapses, industry specialists now say a credit crunch is in full swing. Financial institutions are mindfully reducing lending in an effort to keep more cash on hand as a safeguard in the event of bank runs.

“Small businesses are impacted by the credit crunch more than others because they were already dealing with limited access to capital,” explains Joel Rosenthal, Co-founder and Executive Manager at Charter Capital. “Even those that would have qualified for traditional funding a year

ago may not qualify today.”

Rosenthal says that the credit crunch is creating more interest in alternative funding options like invoice factoring, which has an easier qualification process and typically works much faster. For instance, a business can get approved in a matter of days rather than weeks or months. Payment can be made to the business on the same day an invoice is submitted too.

“Because factoring is a debt-free funding solution, it’s also appealing for businesses that are trying to minimize their debt ratio or avoid taking on more payments,” Rosenthal adds. “Businesses are leveraging factoring to shore up their own finances and prepare for banking issues caused by the uncertain economy too.”

Those interested in learning more about invoice factoring or who would like to request a complimentary quote may do so by calling 1-877-960-1818 or [visiting charcap.com](https://www.charcap.com).

About Charter Capital

Headquartered in Houston, Texas, Charter Capital has been a leading provider of flexible funding solutions for the B2B sector for more than 20 years. Competitive rates, a fast approval process, and same-day funding help businesses across various industries secure the working capital necessary to manage daily needs and grow. To learn more, [visit charcap.com](https://www.charcap.com) or call 1-877-960-1818.

Keith Mabe

Charter Capital Holdings LP

+1 877-960-1818

[email us here](#)

Visit us on social media:

[Facebook](#)

[Twitter](#)

[LinkedIn](#)

[Instagram](#)

[YouTube](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/633885815>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2023 Newsmatics Inc. All Right Reserved.