

Credit and Collateral-Challenged Businesses Turn to Factoring

As rigid bank requirements continue to make loans inaccessible to small businesses, invoice factoring emerges as the ideal funding solution.

EL PASO, TX, USA, July 2, 2024 /EINPresswire.com/ -- Leading invoice funding company Viva Capital says small businesses that are turned down for or turned off by traditional bank loans due to rigid credit and collateral requirements are increasingly turning to factoring. Additional coverage of the topic is available in ["How Factoring Supports Small Businesses with Limited Credit,"](#) which is now live on VivaCF.net.



Roughly half of all businesses that apply for traditional business funding are outright denied or don't have their needs fully met. Many others, discouraged by these numbers, rigid requirements, or debt, don't bother applying for funding despite the need, the new report shows.

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Armando Armendariz

“Even strong small businesses with a lot of growth potential are being turned away because they're still building credit and don't have collateral yet,” explains Armando Armendariz, Director of Business Development and Partner of Viva Capital. “Factoring fills the funding gap and doesn't rely on conventional requirements, making it more accessible for growing small businesses.”

Armendariz says that factoring companies like Viva unlock the capital in unpaid invoices by purchasing them at a

slight discount. This provides the business with most of an invoice's value immediately instead of

waiting weeks or months for the client to pay. Because of this, no additional collateral is required, and the business's credit score isn't a major consideration for approval.

"Many businesses build their credit through factoring, too," Armendariz continues. "Factoring advances make it easy to pay vendors early, pay off debts, and avoid debt, which can all lead to a healthier credit score."

He notes that factoring also comes with benefits, such as client credit checks and collections services, which can help streamline operations and industry-specific perks that can help businesses save or gain a competitive edge. These, paired with the easy approval process and quick funding, including same-day payment options, are a game-changer for businesses, especially those that have tried unsuccessfully to obtain financing through traditional methods.

Those interested in learning more about invoice factoring are encouraged to contact Viva Capital at VivaCF.net.

ABOUT VIVA

Founded in 1999, Viva helps B2B businesses of all types accelerate cash flow through specialized funding solutions like factoring, accounts receivable financing, and asset-based lending. Their simple qualification process makes it easy for small and mid-sized companies to get vital funding despite lack of credit or time in business. [Additional information is available at VivaCF.net.](#)

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