

# Credible Law Releases 2026 Merchant Cash Advance Litigation Trends Report

*New legal industry report examines merchant cash advance lawsuits, frozen business accounts, bank levies, UCC liens, and business debt risks.*

CA, UNITED STATES, June 9, 2026 /EINPresswire.com/ -- Credible Law has published its 2026 [Merchant Cash Advance Litigation Trends Report](#), a national legal-industry analysis of how merchant cash advance (MCA) disputes are reshaping the legal landscape for small businesses. The report compiles publicly available information — court records, attorney-general enforcement actions, and state legislation — to explain the collection actions businesses most frequently encounter and the legal options they commonly explore.



Credible Law's 2026 Merchant Cash Advance Litigation Trends Report examines MCA lawsuits, frozen business bank accounts, bank levies, UCC liens, default judgments, and commercial collection risks affecting small businesses nationwide.

The report examines the full arc of an MCA dispute, from merchant cash advance lawsuits and frozen business bank accounts to bank levies, UCC liens, default judgments, personal guarantee enforcement, ACH withdrawal disputes, and commercial collection actions. It is positioned as an educational resource rather than a promotional document, written for business owners, commercial litigators, bankruptcy attorneys, financial professionals, journalists, and researchers.

These issues affect small businesses nationwide because the MCA product is structured to repay quickly and rigidly. Most agreements authorize fixed daily or weekly ACH withdrawals drawn directly from a company's operating account, regardless of actual daily sales. When revenue dips, those fixed withdrawals consume a growing share of available cash, setting the stage for missed payments, default provisions, and the collection activity the report analyzes.

The complete analysis is available in the Merchant Cash Advance Litigation Trends Report, which Credible Law has made freely accessible as part of its work as a legal resource platform.

## Growth Of Merchant Cash Advance Disputes

The rise in MCA litigation tracks the broader expansion of alternative financing. As traditional bank lending tightened over the past decade, more small businesses turned to merchant cash advances and other revenue-based financing to meet working capital needs. The appeal is speed: an MCA can be funded in hours, often without the collateral or credit thresholds a conventional loan requires.

That same speed can create commercial funding challenges when revenue does not perform as projected. Because an MCA is documented as a receivables purchase agreement rather than a loan, it typically falls outside traditional lending disclosures and usury frameworks — a structural feature at the center of many disputes. As awareness of MCA-related litigation has grown among business owners and the legal community, so has demand for clear, educational information about how these disputes unfold. The report aims to meet that demand, helping owners understand commercial finance disputes before they escalate and giving attorneys and journalists a reference grounded in public sources.

## Key Areas Examined In The Report

### Merchant Cash Advance Lawsuits

When payments stop, a funder may file a breach-of-contract action seeking an accelerated balance, fees, and costs. These cases proceed as standard commercial litigation, with response deadlines often measured in weeks. The report describes how collection lawsuits, contract disputes, and enforcement actions progress, and why the response window is a critical juncture for any business that has been served.

### Frozen Business Bank Accounts

Few collection actions are as disruptive as a business bank account freeze. An account restraint generally follows a judgment and can halt payroll, rent, and vendor payments until resolved. The report explains how account restraints and collection procedures operate, and the operational disruptions they cause, without overstating any business's ability to reverse them. For owners searching for guidance after experiencing this, Credible Law maintains an educational resource addressing the scenario of an [MCA froze my bank account](#).

### UCC Liens And Commercial Collections

Most MCA funders file a UCC-1 financing statement with the relevant Secretary of State at funding, establishing a claimed security interest in business assets. The report discusses how UCC-1 filings and security interests can create financing complications long after the underlying debt is addressed, since resolving a balance does not automatically clear the public record. It also situates these filings within the wider context of commercial debt disputes and collection

activity.

## Default Judgments And Bank Levies

A default judgment is entered when a business fails to respond to a lawsuit in time — a common outcome when owners are overwhelmed or were not properly served. The report explains how missed deadlines can lead to collection enforcement, including bank levies and other asset restraints that seize funds to satisfy a judgment. It emphasizes that timelines are short and that early evaluation generally preserves the most options.

## Personal Guarantees

Many MCA agreements require the owner to sign a personal guarantee, converting a business obligation into individual liability. The report examines how personal guarantees expose owners to collection concerns reaching beyond the business itself, potentially affecting personal assets, and why guarantee language is a central consideration in any dispute.

## MCA Lenders Frequently Discussed In Public Litigation

The report includes neutral, educational summaries of several funders whose names appear frequently in public discussions of merchant cash advance disputes, including Yellowstone Capital, Forward Financing, LG Funding, Everest Business Funding, GTR Source, Credibly, and Fora Financial.

Consistent with the report's research orientation, these summaries do not rank funders, estimate case counts, assign percentages, or claim volume leadership. Instead, they describe each entity's general public litigation visibility and the categories of commercial finance disputes and collection issues commonly discussed in public filings and reporting. Inclusion reflects industry attention and public prominence rather than any conclusion about a company's conduct.

The report notes, as a matter of public record, that MCA enforcement drew significant regulatory attention in 2025, when the New York Attorney General announced a settlement involving Yellowstone Capital and affiliated companies that canceled outstanding merchant debt, vacated certain judgments, and terminated certain liens — referenced as publicly reported context for the broader scrutiny the industry now faces.

## Geographic Trends

The report identifies several states that recur in discussions of commercial finance litigation and merchant cash advance disputes: New York, California, Florida, Texas, and New Jersey.

These jurisdictions appear frequently for distinct reasons. New York has long been a focal point because many MCA agreements designate New York courts through forum-selection clauses,

and the state has become a center of regulatory enforcement. California and Texas have enacted commercial financing disclosure laws affecting sales-based financing, increasing both compliance obligations and related disputes. Florida and New Jersey host substantial concentrations of funding operations, reflected in the commercial collection activity associated with those states. The report frames these as jurisdictional trends rather than precise tallies.

## Expert Commentary

"Business owners often do not realize how quickly a merchant cash advance dispute can escalate from payment pressure to formal collection activity," a Credible Law spokesperson said. "By the time an account is restrained, the window to respond may already be narrowing."

"Understanding commercial collection procedures and litigation timelines is increasingly important for businesses facing financial challenges," the spokesperson added. "The earlier a business understands its rights and obligations, the more options it tends to have."

"The purpose of the report is to provide educational insight into legal issues commonly associated with merchant cash advance disputes," the spokesperson continued. "It is meant to inform, not to alarm, and to give business owners a factual foundation for their decisions."

"We also wanted to create something useful to attorneys, financial professionals, and journalists who are trying to make sense of a fast-moving area of commercial finance," the spokesperson said.

## Report Highlights

The 2026 Merchant Cash Advance Litigation Trends Report covers, among other topics: MCA lawsuits and the litigation timeline; frozen business bank accounts and account restraints; UCC liens and security interests; bank levies and judgment enforcement; default judgments and response deadlines; commercial debt issues across affected industries; business debt restructuring options; and bankruptcy considerations, including Chapter 11 bankruptcy and the streamlined Subchapter V track available to qualifying small businesses.

For businesses weighing how to respond to an active dispute, the report describes the range of approaches owners commonly consider — from settlement and litigation defense to restructuring and, where appropriate, reorganization. Credible Law maintains related educational material on these topics, including resources describing the role of an [MCA defense attorney](#) in evaluating a business's circumstances. The report stops short of offering legal advice or predicting outcomes, noting that every matter depends on its specific facts.

## About The Report And Credible Law

Credible Law is a national legal resource platform that publishes educational information and

attorney referral resources for business owners facing merchant cash advance disputes, commercial litigation, business debt, and related legal issues. The organization positions itself as an industry research publisher and educational authority rather than a lead-generation website.

The 2026 report reflects growing awareness of MCA-related litigation across the small-business community and underscores the importance of understanding legal rights early — before a payment dispute hardens into a judgment, levy, or lien. Credible Law offers the report as a resource for business owners, attorneys, financial professionals, journalists, and researchers seeking to understand the merchant cash advance litigation landscape in 2026.

The full report is available at <https://crediblelaw.com/merchant-cash-advance-litigation-trends-report/>.

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