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From: U.S. Merchant Systems / Rapid Advance
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Date: 08/24/07

A Unique Source of Capital for Merchants and Business Owners – Cash Advance

Murrieta CA, August 23, 2007 – Merchants and Business Owners are being forced into finding alternate financing for working capital needs. Fortunately, new sources of capital are available.

Business owners are feeling the impact of the current residential mortgage crisis, as it has become extremely and increasingly difficult for them to obtain financing for business expenses through obtaining a mortgage or line of credit. Stated and low FICO loans have all but become extinct. Most lenders now require proof of income for a minimum of two years, verifiable asset information, and high credit scores before loaning money. Quite often, one or more of these requirements can prove to be difficult for a business owner to provide - if they can provide the information at all.

“It was hard for us to have to tell a client who is a self-employed business owner that we couldn’t help him out with financing,” says Riese Frederick, VP of Business Development with New World Financial Services, in Murrieta CA and Independent agent for U.S. Merchant Systems. “There’s a lot of hard working business owners that can’t get a loan because of what’s happening in the refinance world lately.”

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Recently, alternative financing has become more popular to business owners, as it allows access to working capital without having to qualify for traditional loans. Some of the key benefits of these types of funding are that they are not secured by attaching any sort of lien on real property, nor do they require any personal guarantee of repayment.

One of the easiest and most common of the alternate financing methods available is a cash advance based on merchants' credit card receivables. This is an outstanding source of funds for business owners, since it provides them with money based on an average total dollar amount of credit card sales transactions in a merchants' place of business. The advance is paid back through a small, pre-agreed upon, percentage of the daily credit card sales being automatically applied towards the repayment of the advance.

Other enticing features of the cash advance program are that it does not have a fixed payment amount, the advanced amount does not show on a credit report as a financial obligation, the program can be repeated as many times as needed, and approved funds can be received in as little as ten days. Additionally, the advanced amount has no finance charges, no accruing interest rates, no "points," and no fixed length of time to repay. The usual advance amount available to business owners is up to 70% of their 4-month average of credit card sales, with amounts ranging from as low as \$2,500 to as high as \$150,000.

Qualifying for the cash advance program is remarkably easy. The major requirements are that the business has to be established for one year, and has been accepting credit card payments for at least six months. Some other qualifications such as type of business are also required, however, 92% of the businesses that apply are approved. The application process is very simple, and it takes less than 5 minutes to fill out the one page form.

A particularly favorable aspect of the cash advance program to the merchant is that the payback is based on sales volume. Meaning, that if the merchant has a slow period of sales, or a low amount of credit card transactions, his payment will be accordingly based on the sales amounts. The merchant may take longer than the original agreement to repay the advance if needed. The program has a one-time fee up front and does not have an accruing interest rate, so the merchant is not penalized for taking longer to pay back the advance.

“It is really nice to be able to offer this type of program to our clients,” comments Frederick about the cash advance program and alternate financing. “We think the word ‘options’ is much more friendly than the word ‘no’.”

One of the major providers of the cash advance program is Rapid Advance. Rapid Advance is based in Bethesda MD, and serves the unique financial needs of small and mid-sized businesses. They are recognized as a leading direct provider of cash advance services.

Rapid Advance works directly with U.S. Merchant Systems, to market the cash advance program to merchants across the country. USMS, located in Fremont CA, stands among the leaders in the transaction processing industry, representing multiple processors and providing all types of merchants with a variety of services and products.

For additional information on Rapid Advance, USMS, and alternative financing, or to fill out an application, you may contact Riese Frederick at (800) 218-2234 or at riese@newworldb2b.com

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