



Jason Medley Discusses the Merchant Cash Advance Industry for the International Factoring Association's Commercial Factor

Spencer Fane attorney [Jason Medley](#) recently authored an article for *Commercial Factor*, an International Factoring Association publication, on the overall impact of the merchant cash advance (MCA) industry.

In the article, [A Surprising Show of Hands: The Impact of MCAs](#), Jason discusses his recent panel presentation for the American Bankruptcy Institute (ABI) on the impact of MCAs, including the unexpected prevalence of MCA issues in bankruptcy proceedings, how MCAs are influencing bankruptcy filings, and the changing legal and political landscape for MCAs.

Jason shared, "At the beginning of my presentation, I asked the group to raise their hands if they had ever dealt with an MCA. There was nearly a unanimous show of hands. Almost everyone in attendance had dealt with an MCA (shocking, I know). Importantly, the bankruptcy attorneys that represent debtors all felt that their clients were "forced" into bankruptcy because of the seemingly usurious MCA 'loan.' In short, they blamed the MCA for the bankruptcy. Some of the judges had been close to ruling on lien priority, usurious loan vs. true sale classification, and other issues presented by the presence of an MCA, but they all reported that settlements were reached before any written opinions were issued. Nonetheless, the judges reported that they were being briefed on the issues and took note of the comments and feedback shared during the panel."

At Spencer Fane, among other things, Jason helps banks and other financial institutions fight against MCA's that interfere with their liens or their flow of funds. Jason is also designated as a Preferred Attorney with the International Factoring

Association and serves as General Counsel to the Houston Chapter of the Secured Finance Network.

Read the full article [here](#).