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Jason Medley Explains Merchant Cash Advance-Related Risks in The Show-Me Banker

Spencer Fane attorney Jason Medley recently authored an article for the Missouri Independent Bankers Association's bimonthly publication, *The Show-Me Banker.*

In the Legal Eagle Spotlight feature, Beware The Merchant Cash Advance, Jason advises banks to be mindful of allowing their borrowers to take on merchant cash advances (MCAs). Noting that this type of business financing is closer to a loan than the factoring agreement it purports to be, he explains the risks to banks when their clients utilize MCAs without their knowledge or consent. He also explained how banks can protect against these hazards.

"Having a nonpermitted junior lienholder extend credit to your borrower at a high annual yield and siphoning large amounts from their bank account threatens the economic viability of your borrower and threatens your dominion over the accounts receivable," Jason concluded.

At Spencer Fane, Jason helps banks and other financial institutions structure transactions in a manner that enables them to close efficiently, allowing for key stakeholders to maximize benefits and avoid unnecessary delays or costs. His work fully encompasses all aspects of contract negotiations, workouts, intercreditor relations, and secured party collections. 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 and magazine issue here.