



# FINTECH LOANS

## LESSON TOPICS

### 1. What is FinTech?

The FinTech Loan industry is growing rapidly everyday and is highly advertised through media. They advertise that they can provide quick easy access to working capital for your business. This industry works with existing businesses only and will not work with start-ups. It is also advertised that they will fund directly into your business checking account same day.

### 2. What is not being Discussed?

- The interest rates of these loans range anywhere from 20-50% and even higher.
- Most cases have terms from 6 months – 1 year.
- In many cases, payments are drafted from the business account daily.
- These above mentioned factors are extremely difficult for a small business.

### 3. Why is Choosing an SBA Loan Instead Beneficial?

Fortunately, most of the FinTech Loans can be refinanced under the SBA Loan program. SBA loans only have a 10% improvement requirement on payments for refinancing existing debt. SBA loans have lower interest rates and can have longer ranges for terms.