

# SMALL BUSINESS LOANS COMPARISON

PRESENTED BY:  Kabbage

Trying to decide where to get a business loan? Our handy comparison hot sheet covers the details of a variety of funding options, from online loans and credit cards to peer-to-peer lending, crowdfunding and business grants. See how they all stack up on cost, application requirements, decision time, repayment and more.

	KABBAGE	PEER-TO-PEER LENDING	CROWDSOURCING/ FUNDING	OTHER ONLINE LENDERS	TRADITIONAL BANK
APPLICATION	100% online and automated. Link existing business accounts, and you are done. Leverages a range of business data to drive underwriting decision. Must be in business for at least 1 year	Requirements can include: being in business 2 years, minimum \$75K in annual sales, credit score, business plan, collateral, etc.	Self-selected deadline and funding amount, and self-created marketing campaign to earn funds.	Online application	Multi-page loan documents, income statements, tax records and collateral.
TIME TO APPLY	Minutes*	24-48 hours	Can take months for the project to catch attention, if at all. Needs to be a "sexy" business.	Minutes	Hours
TIME TO DECISION	Instant decision based on real-time business data*	4-8 days	Depends on chosen length of your campaign.	1 – 7 days	Two weeks or longer
CONVENIENCE & FUNDS AVAILABLE	Up to \$100,000 instantly if transferred to PayPal, 1-3 days if transfer to bank account via ACH. Take what you need from your line, when you need it.	\$2,000-\$35,000, on average.	Either a "keep what you earn" model, or you may not get anything if fundraising goals aren't met.	Up to \$250,000 loan amount	One lump sum taken all at once, usually \$25,000-\$500,000.
REPAYMENT	Automated monthly payment for 6 months. Repay early without penalty.	6-month to 5-year terms. Repayment schedule varies.	You do not need to repay, but you do usually owe updates and perks to backers.	3-, 6-, 12-, or 24-month terms. Payments vary from daily to monthly.	Monthly payment depends on the term of the loan (usually 1-5 years) and the interest rate; penalties for early repayment. Term loans of 2, 3, 4 or 5 years.
COST	12% fee for 6 months, on average. Kabbage customer can control their APR by paying loans earlier because there isn't a penalty	1-5% + APR: 5-35%	3-9% Signup Fee + 2-5% Processing Fee.	20-100% APRs. Origination fee of 2.5% of the loan. Pay fees in full on early repayment.	6-8% APR, on average
CUSTOMER SERVICE	Dedicated local Kabbage team provides personalized service 7 days a week.	Varies per service (some with dedicated support, Mon-Sat, and some with email support or FAQs only).	Depends on platform, but usually email support only.	Varies per platform	Call-center-based customer service team, often outsourced.

\* Kabbage can approve you in minutes when we are able to automatically obtain your business data and instantly verify your bank account. There are select circumstances that may extend the qualification time up to 5 business days.

	ANGEL INVESTING/ LENDING	SBA LOAN	MERCHANT CASH ADVANCES	GOVERNMENT GRANTS	CREDIT CARDS
APPLICATION	Varies by company, but usually a business plan, pitch deck and term sheet are required.	Requires lengthy paperwork, good credit and fairly detailed business history.	Required to send additional financial information after initial online application.	Up to 11 forms to fill out. Strict guidelines: must be for profit, not investor-funded, at least 50% owned and controlled by US citizens or permanent residents and have no more than 500 employees.	Relies heavily on traditional FICO score for underwriting decision
TIME TO APPLY	Depends on the partnership, numbers of backers and if the investor will join the board.	2-3 days	2-3 days	2 - 3 days	Minutes
TIME TO DECISION	Typically 1-3 months or more.	1 month or longer	1-7 days	A few months to a year	Instant if high credit; up to 2 weeks if manual review.
CONVENIENCE & FUNDS AVAILABLE	Varies depending on investor. Angel investors are often hesitant to invest small amounts because it's not worth the time and effort.	\$5,000-\$5 million, on average	\$5,000-\$150,000 funding availability and 3 days to 2 weeks to receive your funds.	Grant funding varies from each grant and takes up to a year to receive funds.	5-10 business days to receive card in the mail; \$500,000 to unlimited credit limits, depending on credit score.
REPAYMENT	Repayment when you sell the company, register it to trade shares over a public stock market, or make profits and pay dividends to the shareholders.	Monthly payment, 5- to 25-year terms.	Fixed % of your daily credit card receipts volume until the advance is paid back.	You do not need to repay	13-23% APR, on average, depending on credit score.* Annual Fee (\$95), Cash Advance Fees (2-5%), Late Fees (\$25-35).
COST	Investor gets ownership in your company, sometimes 25% or more, but varies per investor.	6-13% APR, on average	38% or higher for 6 months.	None	Revolving loan with a monthly payment, usually 1-2% of balance.
CUSTOMER SERVICE	None - these are usually private individuals you work with.	Limited support desk	Varies per MCA vendor	Varies per grant	Call-center-based customer service team, often outsourced.