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Itâ€™s never too late to make a new start. There may be several entrepreneurs out there who may have a bad credit history, but have understood the means of making it right. All they need is working capital to help them get started and things will definitely turn their way. Now if you are a business owner with less than perfect credit you will know of how difficult it is to secure a bank loan. But the fact is that you are not the only one on this situation. One of the main reasons for this to happen is that your initial business loan would have taken care of only the setting up of your office, but would not have taken into account functioning capital which is necessary on a daily basis. If you are unable to make the numbers in the initial days, you may end up defaulting on your repayment which in turn affects your credit score.

One way in which you can work things out is to use a merchant cash advance rather than a bank loan. These are unsecured loans and ask for much less in terms of paperwork to get you on your way. However, you have to ensure that you repay on time else the accumulating interest is sure to hit you in a bad way.

If your requirement is not too high, you could think of applying for a microloan which is specifically meant for those people who have a bad credit history in business. Any form of business from a start up to a home based one can be eligible for this loan and it is quite the useful one in times of crunch. Usually the maximum you can get in this loan is around $35,000 and on an average people tend to take around $13,000 at one go. There are numerous microloan providers functioning all over the country and you will have to find one close to you. These can be not for profit organizations, Small Business Administration organization and the like. The maximum loan period for this is 6 years. As far as collateral goes, the microloan organization will evaluate your assets and come to a conclusion on what will work best for them.

The microloan is also a means for you to work on improving your credit scores and getting yourself some financing for regular organizations.

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