

# Trust Financing Solutions

Smart Capital • Strategic Growth • Business Funding

## A/R Financing vs. Factoring A Borrower-Friendly Comparison Guide

Use this guide to quickly understand the difference between Accounts Receivable (A/R) Financing and Factoring, so you can choose the smartest working capital option for your business.

| Feature              | A/R Financing                            | Factoring   |
|----------------------|--|---|
| What It Is           | Line of credit secured by invoices.      | Sale of invoices for immediate cash.              |
| Control of Invoices  | You keep ownership and collect payments. | Factor owns invoices and may collect directly.    |
| Advance Rate         | 70–90%                                   | 70–90%  |
| Cost                 | Interest (lower cost).                   | Discount fee (higher cost).                       |
| Approval Focus       | Your credit & financials.                | Customer credit strength.                         |
| Funding Speed        | 1–2 weeks setup; ongoing 24–48 hrs.      | 1–5 days setup; same-day funding common.          |
| Customer Interaction | Customers keep paying you.               | Customers pay the factor.                         |
| Best For             | Stable, growing companies.               | New, fast-growth, or credit-challenged companies. |

**Summary:** A/R Financing offers lower cost and more control — ideal for stable, growing businesses. Factoring provides faster funding and flexibility when credit is tight or rapid growth demands cash now.

### Need Working Capital?

Trust Financing Solutions can help you choose the right financing strategy and connect you with the best funding partners.

**Visit:** [www.TrustFinancingSolutions.com](http://www.TrustFinancingSolutions.com)

**Email:** [info@trustfinancingsolutions.com](mailto:info@trustfinancingsolutions.com)