Compare business finance products

	Unsecured loan	Secured loan	Invoice finance	Overdraft
Amounts	$5,000 to $500,000	Up to $1m	Facilities up to $1m	Varies depending on your business turnover
Description	A loan that doesn't require any assets as security.	A loan that is secured by an identifiable piece of equipment, machinery, vehicle, or property.	Cash up front for your debtors – up to 95% of the face value, depending on your funder. See our website for different types of facilities.	Your bank allowing you to go into negative balance, up to a pre-approved limit.
Security	Depending on the circumstances, the lender may want a GSA over the business. Not all lenders require this. Usually the lender requires personal guarantees from the directors.	You will need to sign a specific security agreement, which will name and identify the item being used as security. This will be lodged on the PPSR.	At a very minimum, only security over the invoices being funded against – though this is ONLY when the debtor is a large corporate or government department. Most funders require a GSA over the business and personal guarantees from directors. In some cases, assets may be required to secure the facility.	These may be secured or unsecured, depending on the size of the overdraft. The bank may or may not register a GSA over your business.
Fees and interest	Tend to have the highest interest rates; and these vary very widely between lenders – 11% to 27%. The interest rate offered will depend on the risk profile.	Often lower than unsecured loans. Like unsecured interest rates, these vary widely between lenders, with the range being about 8% to 18%	Vary between lenders, the size of your facility, and how risky you are perceived to be. You will be charged an admin fee (0.5% to 5% on the face value of your invoices, and interest on what is borrowed. You can usually track your fees and interest on an online portal.	Usually a monthly facility fee. Some banks may let you exceed your limit, then charge you a fee for it. Interest is calculated over the course of the month and deducted from your bank balance monthly.
Repayments	Daily, weekly, fortnightly or monthly.	Weekly, fortnightly or monthly. Interest only may be offered for short periods.	Not applicable – your customers "repay" your borrowing.	Not applicable.
Eligibility requirements	Usually require squeaky clean credit. Minimum six months in business. Some lenders may offer loans 3 months after buying an existing business.	Clean credit is not absolutely essential, so long as you have not defaulted to any finance companies. Any unpaid defaults would need to be explained.	Great for start-ups, as there is no minimum time in business required. You must be a B2B, which customers in NZ (usually payment from Australia is OK). Clean credit not essential, so long as you have not defaulted to any banks or finance companies.	Similar to a business loan application at your bank.

Term	Usually these are short term, up to 2 years.	Up to five years.	Usually open ended.	Usually open ended.
Watch out for	Heavy penalties for missed payments – this is especially expensive if you are making daily repayments.	You may not be able to sell the item that is being secured, unless you agree to pay off the loan. This can get complicated when the secured item is property.	Complicated documentation. Make sure you get explanations in plain English or read our guide to decoding your facility agreement on our Resources page. Be careful of being locked in to long contracts.	Interest charged each month might be a surprise as you usually can't track the accrual of interest.

To get started, call us on 0800 003 765 or email office@businessfinance.co.nz. Visit us at businessfinance.co.nz