

Partners Catherine Brennan and Kate Fisher comment for deBanked on what a Biden administration could mean for merchant cash advance

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deBanked recently spoke to Hudson Cook Partners [Catherine Brennan](#) and [Kate Fisher](#) about what legal changes in business to business financing, if any, could be coming with the new Biden administration.

"If the Republicans hold in Georgia, and we have a split legislative branch, that means gridlock, and gridlock is great for the industry," said Catherine. "The more progressive wing of the Democratic Party would like to put merchant cash advance under the auspices of quasi-consumer [loans,] but they won't be able to do that with the split legislative branch."

According to *deBanked*, Catherine sees the gradual adoption of merchant cash advance (MCA) under preexisting executive agencies like the Consumer Financial Protection Bureau (CFPB) and Federal Trade Commission (FTC) as more likely. She pointed to the Dodd-Frank Act implementing consumer lending data collection as a possible avenue regulators might take by pushing for data collection in the MCA space. She believes that if funders have been responsible and fair, they shouldn't be on the regulators' radars.

Kate Fisher agreed, noting that funders should "expect to be comfortable if they are asked to describe how they comply and prepare to do so. . . . I don't think it is a scary time. It's an opportunity for MCA to improve their processes, make sure they are following the law," she said. "They don't need to be afraid but need to batten down. Much of the industry has already done that, the MCA industry has been focused on adopting good practices."

Catherine Brennan chairs Hudson Cook's [FinTech](#) practice. She engages in credit due diligence on behalf of investors in fintech firms, bank partnership platforms, small business lenders, merchant cash advance companies, consumer finance companies, title loan companies and payday lenders. Catherine assists national and state banks, investment banks, consumer and commercial finance companies, mortgage bankers, installment lenders and other licensed lenders in the development and maintenance of nationwide consumer and commercial lending programs.

Kate Fisher co-chairs Hudson Cook's [Business Funding](#) practice. She represents banks, finance companies, private equity and investment bank investors, merchant cash

advance companies, and small business lenders establishing new programs and products, and conducts due diligence and compliance reviews of consumer lending and business financing portfolios. Kate's practice also includes assisting clients with compliance with state and federal consumer protection and related laws as they develop and maintain mortgage lending, automobile finance and other credit programs.

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