What Are MCA Leads? Types, Costs, And How Funding Companies Use Them

Description

The Leads Ware House

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This article explains what Merchant Cash Advance (MCA) leads are, the different types available, and what they cost. It also gives funding companies and brokers insights on how to best use these leads to grow their pipeline.

The recent â??Made in Americaâ?• loan initiative and stricter SBA 7(a)/504 loan SOP changes have created a larger pool of candidates for Merchant Cash Advances (MCAs). The SBA changes alone, with stricter underwriting and higher credit scrutiny, have led to fewer businesses qualifying for SBA loans. Funding companies and brokers recognize this could be a boon for their MCA business and are actively seeking to understand how MCA leads could help them connect with business owners who still need funding. Itâ??s best to start with the basics: what exactly is an MCA lead?

What are MCA leads?

MCA leads are businesses that are looking for funding. They typically need:

- Working capital
- Cash flow support
- Inventory financing
- Short-term funding

According to the Federal Reserveâ??s 2025 Small Business Credit Survey, many small businesses are looking for alternative financing that is quicker to obtain and more flexible. Enter MCA leads. MCA leads are small to medium sized businesses that are generating a qualifying level of revenues and are looking for quick funds to grow their business. Funding companies rely on MCA leads to bring them volume. More applications. More conversations. More approvals. But not all MCA leads are the same. Funding companies and brokers need to understand the differences when developing their lead strategies.

What are the different types of MCA leads?

There are five main types of MCA leads and each serves a different purpose:

- **Business data leads â??** These are raw business records that contain the business name, owner name, phone number, revenue estimates, industry type, and more. They are ideal for outbound, cold calling campaigns. Our clients use the data with dialers in telemarketing campaigns as well as in SMS and email campaigns. Data leads are low cost and allow funding companies and brokers to control targeting and the full sales process. But given these leads are *cold*, sales teams will need highly skilled salespeople and strong processes and systems to manage the lead through to closing.
- **Aged leads â??** Aged MCA leads are businesses who have previously applied for funding in the past year. These leads provide contact information as well as some details on a companyâ??s owner and revenue. Our clients use aged leads to increase their leads volume, as more leads means more opportunities. These leads also help them gain access to business owners who have shown prior intent and to lower their customer acquisition costs. The tradeoff is that aged leads have lower intent and require significant follow-up.
- **UCC, trigger and response leads â??** These are 30- to 90-day-old leads that come from Uniform Commercial Code (UCC) filings, credit pulls for business financing (trigger), and responses to business funding campaigns (response). These leads are valuable, because the business owners already understand funding, are active borrowers, and may need additional capital. They are ideal for use in all types of campaigns, and with refreshes every quarter, the data is timely. Our clients use these leads to upsell or consolidate multiple positions.
- **Applications/submissions data â??** These MCA leads are business owners who have submitted full applications for an MCA within the last 30 days (recent intent). They are highly qualified leads, having a specified level of revenue and time in business. They too are ideal for use in all types of campaigns.
- **Real-time leads â??** Real-time MCA leads are similar to aged leads, only fresher. They are business owners who have most recently submitted an application for funding and want to speak with a funding company in real-time. Our clients like these leads because they are high intent with the most recent activity. They are used to quickly engage with interested business owners. The downside is that they can be higher cost and be limited in volume.

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The lead type that is right for a funding companyâ??s or brokerâ??s business will depend on many factors, including price. So, how much do each of these MCA lead types typically cost?

How much do MCA leads cost?

The pricing of MCA leads varies significantly based on data quality, consumer intent level, recency, and competition. These are some typical costs that funding companies and brokers can expect to pay per lead:

- **Business data leads â??** Business data leads are typically priced between **$0.02 and $0.20** per record.
- **Aged leads â??** Aged MCA leads typically cost between **$0.05 to $0.50** per lead, depending on the age of the lead. Older leads are priced lower.

- **UCC, trigger and response leads â??** These are typically priced between **$0.20 and $0.75** per lead.
- **Applications/submissions data â??** These MCA leads carry a price tag from **$20 to $100** or more per lead.
- **Real-time leads â??** Real-time MCA leads typically cost from **$50 to $200 or more** per lead, depending on the selected geography. The pricing is typically lower when funding companies select a wider geographic area, as it is less difficult to find a lead in a larger target market.

Focusing on price per lead alone can be misleading though. What really matters is cost per acquisition (CPA), which accounts for how well those leads actually convert. CPA is calculated by dividing total lead spend by the number of closed deals. In many cases, higher-priced leads with stronger intent convert at a better rate, resulting in a lower overall CPA than cheaper, lower-intent leads. So, what MCA lead type should funding companies and brokers be using?

How the best funding companies use MCA leads

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Our most successful MCA clients do not rely on one lead type, instead choosing a more balanced leads strategy. They tend to follow a clear set of proven tactics when using MCA leads:

1. **Use data leads to build a pipeline â??** Data leads are the backbone of outbound campaigns. Our clients use data leads to call businesses and send SMS messages to start conversations.
2. **Use aged leads to build volume â??** Aged leads can help companies substantially scale their MCA sales. They are a lower cost way to expand reach and increase sales activity.
3. **Use submissions and real-time leads to close the highest intent customers â??** Submissions data and real-time leads are business owners who have the greatest intent to take on additional funding. This means faster deals and higher close rates for funding companies and brokers.
4. **Use UCC/trigger/response leads to retarget business owners â??** These leads help companies offer additional capital and refinancing to a segment of business owners who are highly informed and most active in borrowing funds. It also helps them identify opportunities for repeat deals within their customer base.
5. **Ensure their tech meets requirements â??** Even if MCA leads are the highest quality, a funding company can still fail if their tech doesnâ??t allow them to connect with prospects. Companies should make sure they have clean caller IDs to avoid the dreaded â??Spam Likelyâ?• warnings. A2P and 10DLC registrations need to be completed for SMS campaigns. Domains should be monitored for email deliverability. And, companies should understand the TCPA differences between contacting consumers and businesses.

When developing their leads strategy, funding companies and brokers should avoid:

1. Only using one lead type. It will limit sales growth.
2. Ignoring data quality. Bad data wastes valuable sales time.
3. Not following up. Most deals require multiple touches. Our data shows 80% of deals close between touch 5 and 12 (Ask for The Leads Warehouseâ??s matrix of the number of calls vs. connections vs. contacts to closes).
4. Overpaying for real-time leads. It is best to balance cost with volume.

5. Being tech ignorant. A funding company will close 0% of the business owners they donâ??t speak with.

Choosing the best leads provider

The right leads provider can help funding companies avoid pitfalls and obtain the right mix of leads to effectively scale their MCA business. With this goal in mind, The Leads Warehouse focuses on:

- High quality owned and operated (O&O) lead sources
- Reliable aged MCA data that converts and backs out
- Fast 24- to 48-hour delivery
- Deep marketing expertise
- Tech knowledge to help you connect with potential customers

Conclusion

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In the growing MCA market, MCA leads have become an important tool in connecting funding companies and brokers with business owners who need funding now. Companies can successfully grow their MCA sales by building a balanced leads strategy, performing strong follow-up, and ensuring connectivity through the right technology. Are you ready to talk about how you can grow your MCA sales pipeline?

If you would like more information on how you can grow your MCA sales, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at http://theleadswarehouse.com.

Date Created
2026/04/29
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