Revolving credit agreements	Commercial banks	maintain 10% to 20% compensating balance and pay a commitment fee of approximately .5% of the average unused balance. Generally 2% to 4% below the prime rate of interest.	An unsecured short-term promissory note issued by the most financially sound firms.
Commercial paper	Other business, banks, life insurance companies, pension funds, and money market.	2% to 5% above prime plus up to 3% in fees. Advance 50% to 90% of collateral value.	Selected accounts receivable are used as collateral. The borrower is trusted to remit to the lender on collection of pledged accounts. Done in non-notification basis.
Secured Sources of Short-term Financing Pledging	Commercial banks and commercial finance companies	1% to 3% discount from face value of factored accounts. Interest levied on advances of 2% to 4% above prime. Interest earned on surplus balances left with factor of about -5% per month	Selected accounts are sold-generally without recourse – at a discount. All credit risks go with the accounts. Factor will loan (make advance) against uncollected accounts that are not yet due. Factor will also pay interest on surplus balances.
Factoring	Factors, commercial banks, and commercial finance companies		A loan against inventory in general. Made when firm has stable inventory of a variety of inexpensive items.
		1% to 5% above prime. Advance less than 50% of collateral value.	A loan against inventory in general. Made when firm has stable inventory of a variety of cheap items.

Inventory collateral -Floating liens -Trust receipts -Warehouse receipts	Commercial banks and commercial finance companies Commercial banks and commercial finance companies Commercial banks and finance companies	3% to 5% above prime. Advance less than 50% of collateral value. 3% to 5% above prime plus a 1% to 3% warehouse fee. Advance 75% to 90% of collateral value.	Inventory used as collateral is placed under control of the lender by putting it in a terminal warehouse or through a field warehouse. Third party- a warehousing company- guards the inventory for the lender. Inventory is released only on written approval of the lender.