

How a Lawsuit Advance Can Help Litigants Keep Their Finances Afloat

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If you're embroiled in litigation and struggling with finances, a lawsuit advance can provide vital cash to help you stay afloat.

A lawsuit advance is an early payment on an anticipated future settlement. Essentially, it's designed to provide cash prior to settlement for plaintiffs suffering financial hardship directly as a result of the damage brought about by their case. A lawsuit advance can literally mean the difference between giving up and losing your case—or hanging in there and receiving the settlement you deserve.

Lawsuit advances fill a significant void in the financial industry. Many times the legal system puts people who can't afford to wait for their money at a disadvantage. These hardships often put pressure on plaintiffs to push for early settlement even though extending the negotiations would very likely be in their best interest. Insurance companies recognize this and can take advantage of the circumstances by dragging out the settlement process. A lawsuit advance helps to level the playing field because it provides a means for helping litigants survive while they wait for their case to settle.

Many types of litigation qualify for a lawsuit advance, with the typical kind being a personal injury case. Other kinds of cases that may also be suitable for a lawsuit advance include wrongful death, product liability and breach of contract. The funds from a lawsuit advance can be used for a variety of purposes. The most common usage is to avoid foreclosure or eviction from a home or repossession of a car. A lawsuit advance also can be applied for medical, living and other expenses.

When to Consider a Lawsuit Advance

Is a lawsuit advance right for you? It depends on your circumstances and needs. In general, you might consider a lawsuit advance if:

- Your employment status has changed.
- You need additional funds to pay for major and daily living expenses.
- You have bad credit and cannot get approval for a traditional loan.
- You are contemplating bankruptcy.

Not a Loan

A lawsuit advance is not a loan. A loan would require a credit check, employment verification and repayment, regardless of the outcome of your case. Instead, a lawsuit advance is a type of "non-recourse" payment. This simply means if you lose your case, you don't have to repay the money you received through the lawsuit advance funding.

Many attorneys add the cost of this funding into the basic reimbursable costs of the suit when determining damages; repayment isn't made until the case is resolved. So if the case is lost, neither you nor the attorney is liable for the costs. Therefore, the risk lies solely with the lawsuit advance company providing the funds.

How It Works

A lawsuit advance is a common way to get cash that can help you stick with your case for the best possible settlement. Here's exactly how it works: When you hire a lawsuit advance company, you agree to allow a lien to be placed on your lawsuit or claim. The lien will enable the company to be repaid at the time of settlement. With most lawsuit cash advance companies, there are never any up-front or out-of-pocket fees. They're repaid only when—and if—your case settles.

And while lawsuit advance firms must review your case as necessary due diligence, they otherwise maintain a hands-off approach. They're not in the business of offering legal advice. Nor do they interfere in either the case or the attorney-client relationship. Their primary area of concern relates to funding issues.

How much money can you get for a lawsuit advance? The amount is determined based on the specific underwriting criteria of each lawsuit advance company. But a lawsuit advance can range anywhere from \$500 to \$500,000.

The money received from a lawsuit advance can be a godsend if you're struggling financially because it can be a quick, easy solution to your problem. Because it's not a loan, a lawsuit advance doesn't require a credit check, employment, monthly payments or collateral. And more importantly, there's no risk you'll have to repay the money if you lose your

case.

Working with a Lawsuit Advance Company

You should consult with an advisor before deciding to work with a lawsuit advance firm. But once you determine to take this course of action, working with a lawsuit advance company is a straightforward process. Here are the steps you can expect with the typical lawsuit advance firm:

- Step 1: You provide the lawsuit advance company with information regarding your case and needs.
- Step 2: The company contacts your attorney for certain legal documents pertaining to your case.
- Step 3: A determination is made regarding the amount that can be provided for your lawsuit advance.
- Step 4: Then the company contacts you to discuss the amount of lawsuit advance available.
- Step 5: Agreements are transmitted to your attorney, who applies a lien on your case to secure the position of the lawsuit advance firm.
- Step 6: Once all the paperwork is completed, a check is forwarded directly to you.

The bottom line is: A lawsuit advance eliminates the need for you to accept a minimal amount of money due to financial pressures—instead of what your case is truly worth. And, it can be a viable option for keeping your personal finances afloat during litigation. Sovereign Funding Group is an experienced, reputable company that offers convenient, no-risk services to help you with the selling of your deferred payments and business financing, including lawsuit advance funding.