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All about Lawsuit Loans by Michelvar Smith

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Acquiring Lawsuit loans is a common practice and is typically referred to be a type of a pre-settlement lawsuit funding that is not exactly a loan, but more of an advanced fee or â€˜investmentâ€™ like in venture capitalism.

Though there are loans or lines of credit that are commonly available to fund lawsuits, these loans are typically accessible only to lawyers and law firms. It is also important to remember that this loan is typically not offered to a plaintiff in a personal injury case who is seeking the acquisition of cash in advance against the settlement of verdict. In these situations, he or she will be offered a â€˜no recourse lawsuit fundingâ€™.

Benefits of these Loans

A major advantage of this form of lawsuit funding is that it makes sure the plaintiff has minimal risk in cases when the lawsuit settles for an amount that is lesser than the amount of advanced cash. In this case, the plaintiff is obligated only to the extent of his own share of recovery.

On the other hand, one must remember that the cost of acquiring a lawsuit loan can be considerably high. The funding systems are designed to avoid any kind of non-surety and are usually recommended as the last option towards funding any legal procedure.

Who Can Lend the Money?

Typically, to avoid any conflicts of interest, your ICBC lawyer or any other lawyer is not in the position lend you any financing for the litigation. The only thing he or she can do is advance the costs of litigation. The major concern is that if a situation arises where a client owes his or her lawyer any money, the lawyer may lose interest in the case which may not benefit the interest of the client.

The lawyer can always refer his client to a lender who is willing offer loans and assist the client in paying expenses during the litigation. There are also a number of lawsuit funding companies that one can choose to approach.

If the plaintiff of a personal injury case does not desire to obtain a no-recourse lawsuit funding due to its high cost, one can also consider other sources of loans.

1. If the plaintiff has any home equity, he can consider obtaining a home equity loan or mortgage with specific expenses which crop up prior to the settlement.

2. Depending on the plaintiffâ€™s personal line of credit, he or she may also be able to acquire a personal loan.

3. You can ask family and friends to help fund your lawsuit or it may be a viable option to max out your credit cards as compared to acquired a loan from a litigating financing company.

While some clients donâ€™t have a choice but to opt for a lawsuit financing option, it is important for you to take a step back and assess whether this funding option is truly right for you. There are a number of situations where the client does not have a large source of capital and needs to budget his income for the basic necessities. Even though the lawsuit financing option comes at a higher cost, one may have to opt for the loan to avail the luxuries of good legal help.

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As a Icbc Lawyer Vancouver we represent youâ€"victims who have suffered injuries due to the negligence or intentional conduct of others.

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