

From: Knollas Pizza Cafe LLC, Ruth A Knolla
Subject: Electronic Fund Transfers

Comments:

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Comments:

We have an SBA backed loan thru a well known bank in our area. Our restaurant has been open for over 3 years. Our cash flow is adequate to cover all items debited to our account thru the month. We have had overdrafts which we understand and paid. The concern we have is when we since we opened our business account, we have had problems with the bank posting largest to smallest items first. We understand this is a legal procedure but the problem comes in when we have adequate cash or maybe 1 overdraft on our daily statement then items are reversed from largest to smallest for payment, creating a number of overdrafts the next day. This practice has caused us increased difficulty in maintaining our cash flow. We have complained to the bank President but basically informed it was our fault. We understand managing cash flow and are paying down our SBA debt. We also understand it is our responsibility to be financially sound. Our concern is that we have an SBA backed loan with a lien on our home. We are of the opinion that this an revenue creating procedure is not fair for us as small business owners backed by the a taxpayer program such as the SBA. This process places our home more at risk, as it increases the potential for failure due to cash flow problems. Why do the banks not debit items in the order they come in. The banks risk in cashing the several large checks in the correct order they come in for our business is minimal, as we have a 3 plus year history of adequate cash flow. The local bank staff has been very courteous and fair, but this internal system procedure is concerning to us. Thank you