

THE KEY



JANUARY 2012



**Farmers
STATE BANK**

Building Your Success

**UNLOCKING YOUR
FINANCIAL OPPORTUNITIES**



In This Issue:

Simplify Your Finances, Save on Home Heating Costs & Changing Jobs? Take Your 401K and...Roll It

CD Rates:

18 Mo. - 1.02%^{APY*}

60-67 Mo. - 2.05%^{APY*}

Bump Up Rate:

36 Mo. - 1.60%^{APY*}

Loyalty Rate:

24 Mo. - 1.50%^{APY*}

*APY=Annual Percentage Yield. Substantial penalty for early withdrawal, \$1,000 minimum opening deposit for 18 mo., 24 mo. loyalty, 36 mo. bump up and 60-67 mo. terms. 18 mo. interest rate 1.02%, 24 mo. loyalty interest rate 1.50%, 36 mo. bump up interest rate 1.60%, 60-67 mo. interest rate 2.04%. Interest compounds every 6 months for CDs with a term of one year or greater. To obtain the Loyalty CD rate the following qualifications must be met monthly: Have an existing or new primary checking account with FSB (Ultimate, Platinum, or Loyalty Checking) for the term of the CD (24 months), have more than 12 unique transactions (checks, ach, debit cards processed at different merchants/companies) with each transaction amount greater than \$10.00. Deposit and withdrawals done inside the bank do not qualify. If those items are not met a lower interest rate of 1.00% with an APY of 1.00% will be paid on that CD for that calendar month. One CD per person per checking account. Personal Accounts Only. For the 36 mo. bump up, at your discretion, you may elect to increase the interest rate and resulting APY once during the initial term of the CD to the prevailing 3-year CD rate for the remainder of the original CD. Early withdrawal penalty applies. 36 mo. bump up automatically renews into 3 year CD all other CDs renew for same term. Effective 01/01/2012. Rates subject to change daily.

La Porte City Branch Now Open

On Tuesday, January 3, 2012, Farmers State Bank opened its newest branch located in La Porte City at 508 Highway 218 N. The 5,600 square-foot branch includes an expanded teller line, a drive-up teller window and 24-hour ATM. The full service branch employs a branch manager, loan officer and multiple tellers who are available to assist customers with new accounts, deposits and servicing loans.

This year, make a resolution that you know you can stick with - get your finances in shape. Open a new FSB checking account in La Porte City and receive your first order of checks FREE. Plus, let us shred your checks from another financial institution and we'll put \$20 per box into your new account! We are excited to join the La Porte City community and invite you to experience what Building Your Success is all about - to be served by people who truly care about you.

Since opening our doors in 1879, Farmers State Bank has been locally owned and operated with the same name. Since then, FSB has experienced steady growth, and now have eight full-service branches in the Cedar Valley. Throughout the years, FSB has developed a strong reputation for providing outstanding customer service and supporting our local communities.

Lobby Hours:

M - Th: 8:30 - 4:00

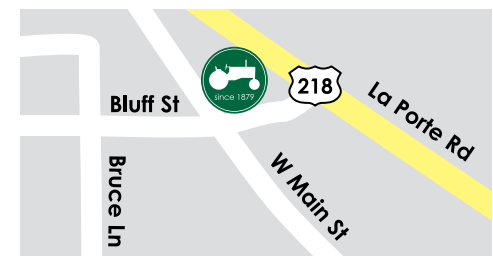
F: 8:30 - 6:00

Drive Up Hours:

M - Th: 8:30 - 4:00

F: 8:30 - 6:00

Sa: 8:30-10:30



508 Hwy 218, La Porte City, IA 50651



**Farmers
STATE BANK**

MEMBER FDIC

Building Your Success

1-877-372-1879 • www.FSB1879.com

Simplify Your Finances

If time is a precious commodity for you, here are seven ideas to save time and reduce the stress and anxiety of managing your financial affairs.

- 1. Enroll for direct deposit.** When your paycheck is deposited directly into your FSB checking or savings it eliminates trips to the bank and the security of knowing exactly when the money will be available. If you have an interest-bearing account, your check is earning you money right away instead of sitting on your counter over the weekend.
- 2. Sign up for overdraft protection.** When you link your FSB checking account to a safety check you avoid the cost, hassle, and embarrassment of a bounced check.
- 3. Establish an automatic savings plan.** It's easy to set up through your I-Banking account. Simply log in and click on Transfer/Loan Payments to get started. Regular automatic transfers to a savings account will add up.
- 4. Use electronic Bill Pay.** Eliminate the dreaded task of writing checks or having a late payment. Log into your I-Banking account and click on Bill Pay in the top menu. Enter your account registration information and click submit. You are then ready to add your payees and begin using Bill Pay immediately.
- 5. Consolidate your financial relationships.** When you have all your accounts with FSB it gives us the opportunity to get to know you and your banking habits to help save you time and money.
- 6. Consider personal finance software.** With the Farmers State Bank it's easy to access and manage your account online. Use I-banking with any of your FSB accounts to view balances, print cancelled checks & deposit images, transfer funds, make loan payments and much more.
- 7. Build a safety cushion.** Be ready for unexpected expenses or save some extra funds for a special vacation.



Save on Home Heating Costs

As old man winter continues to bear down on Iowa, finding ways to save on heating costs makes good sense and is an excellent way to start cutting costs in the New Year. Whether you heat your home with oil, natural gas or electricity, the Federal Trade Commission (FTC), offers the following tips to help you save money and stay warm:

- Conduct an energy audit to help detect waste and gauge efficiency of your current heating system. The U.S. Department of Energy (DOE) offers instructions at www.homeenergysaver.lbl.gov.
- Ask your utility company about a budget billing plan to protect against unexpected price increases.
- Schedule an annual tune-up for your furnace, heat pump or boiler. Your utility company may offer this service.
- Install a programmable thermostat that will automatically lower nighttime temperatures.
- When you shop for a new furnace, boiler, heat pump, water heater or other home appliance, consider purchasing a high-efficiency model. Although some energy-efficient appliances cost more than other models, their lower operating costs generally save you money in the long run.
- Clean or replace filters on forced-air furnaces and heat pumps. Also, vacuum air vents, baseboard heaters and radiators regularly.
- Wrap your hot water heater in an insulating jacket. A water heater needs extra insulation if it's warm to the touch.
- Use caulking or weather-stripping to seal air leaks around windows and doors, as well as holes around plumbing and heating pipes. Check existing caulking and weather-stripping for gaps or cracks.
- Close the vents and doors to rooms you don't use regularly.



Changing Jobs? Take Your 401(k) and ... Roll It!

If you've lost your job, or are changing jobs, you may be wondering what to do with your 401(k) plan. It's important to understand your options.

What will I be entitled to? If you leave your job (voluntarily or involuntarily), you'll be entitled to a distribution of your vested balance. Your vested balance always includes your own contributions (pretax, after-tax, and Roth) and typically any investment earnings on those amounts. It also includes employer contributions (and earnings) that have satisfied your plan's vesting schedule. It's important for you to understand how your particular plan's vesting schedule works, because you'll forfeit any employer contributions that haven't vested by the time you leave your job.

Don't spend it, roll it! While this pool of dollars may look attractive, don't spend it unless you absolutely need to. If you take a distribution you'll be taxed, at ordinary income tax rates, on the entire value of your account except for any after-tax or Roth 401(k) contributions you've made. And, if you're not yet age 55, an additional 10% penalty may apply to the taxable portion of your payout. Your employer must also allow you to make a direct rollover to an IRA or to another employer's 401(k) plan.

Should I roll over to my new employer's 401(k) plan or to an IRA? Assuming both options are available to you, there's no right or wrong answer to this question. There are strong arguments to be made on both sides. You need to weigh all of the factors, and make a decision based on your own needs and priorities. It's best to have a professional assist you with this, since the decision you make may have significant consequences--both now and in the future.

When evaluating whether to initiate a rollover always be sure to (1) ask about possible surrender charges that may be imposed by your employer plan, or new surrender charges that your IRA may impose, (2) compare investment fees and expenses charged by your IRA (and investment funds) with those charged by your employer plan (if any), and (3) understand any accumulated rights or guarantees that you may be giving up by transferring funds out of your employer plan.

Investment and Insurance Products: Not FDIC Insured • No Bank Guarantee • May Lose Value



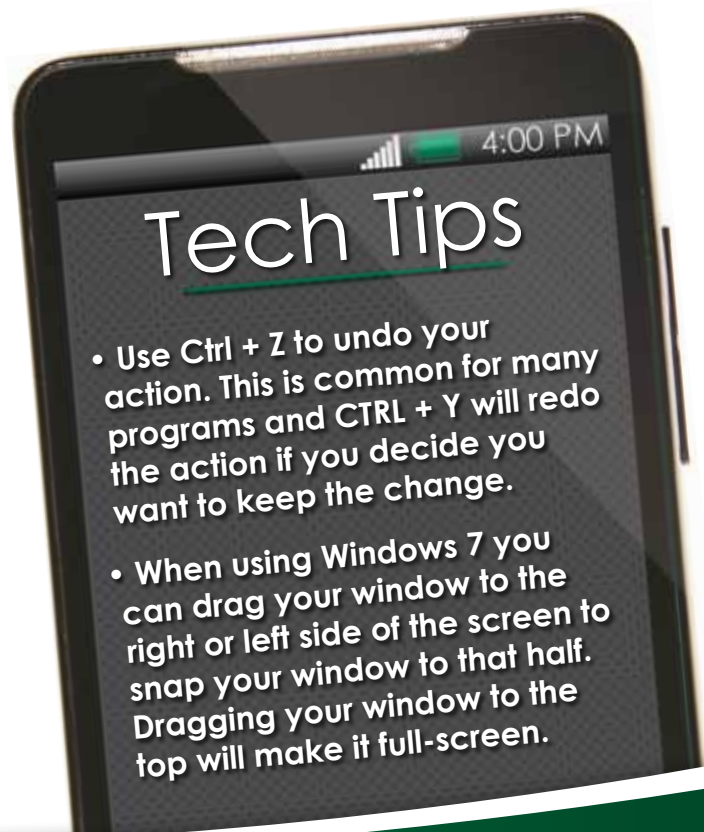
Jordan Alborn
Financial Advisor
319-235-6561

You Can Help Save a Tree,



One eStatement at a Time.

Help save trees and reduce clutter with electronic account notices, eStatements, online bill pay & mobile banking.



- Use Ctrl + Z to undo your action. This is common for many programs and CTRL + Y will redo the action if you decide you want to keep the change.
- When using Windows 7 you can drag your window to the right or left side of the screen to snap your window to that half. Dragging your window to the top will make it full-screen.



EQUAL HOUSING
LENDER
MEMBER FDIC

1-877-372-1879 • www.FSB1879.com



Farmers
STATE BANK

Building Your Success

Click



APPLY FOR AN
Auto Loan



APPLY FOR A
Mortgage Loan



APPLY FOR A
FSB Account



DESIGN YOUR
Custom Card

at
www.FSB1879.com

Branch Locations:

Cedar Falls
(319) 268-1879

Dunkerton
(319) 822-2521

Raymond
(319) 232-3070

Jesup
(319) 827-1050

Waterloo
(319) 287-3961

Gilbertville
(319) 296-1410

Waterloo - Downtown
(319) 274-1879

La Porte City
(319) 342-4505



SUDOKU

		9	1				
3	1					6	
			7	4			5
			6		5	7	
	5	3		2			
1							8
			4	3			7
9		2		1	4		
			5		3	9	

Golden Horizons

A Club For Farmers State Bank Customers 55 & Older

Diamond Jo Casino, Dubuque, IA - January 18th



The Diamond Jo Casino has over 975 slots, and all the table games that you want to play. You can try your hand at Blackjack, Craps, Pai Gow Poker, Roulette or Mississippi Stud. The bus will leave Waterloo (Central Christian Church, 3475 Kimball Ave) at 8:30AM and Jesup at 9:00AM. Return to Jesup at 4:30PM and Waterloo at 5:00PM. Price is \$35 per person and includes buffet lunch, \$10 Isle play, a deck of cards and transportation.

For more information or to register for any event, contact Cindy in Waterloo at (319) 874-4344 or cindy.patten@FSB1879.com or Mary Jean in Jesup at (319) 827-1050 or mary.bloes@FSB1879.com

Keep up to date on the latest events in four convenient locations:

1. Click Events at www.FSB1879.com
2. Branch Lobby Signs
3. Monthly Newsletter "The Key"
4. Facebook Posts

1-877-372-1879
www.FSB1879.com