

THE KEY



DECEMBER 2011



MEMBER FDIC

**Farmers
STATE BANK**

Building Your Success

**UNLOCKING YOUR
FINANCIAL OPPORTUNITIES**



In This Issue:

**Introducing Cedar Falls School
Pride Cards, Get Financially Fit in
2012 & Protect Yourself Against
Identity Theft**

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 12/01/2011. Rates subject to change daily.

The Gift of Low Interest Rates

It's that time of the year when everyone's wish lists come out. Coincidentally, so do hundreds of coupons, one-day specials, and markdowns. Anything and everything that can motivate you to make sure that there's abundance under the tree is out there. To steer clear of a holiday financial hangover, open up a home equity line of credit (HELOC) before the spending spree begins.

A Home Equity Line of Credit is a type of home equity loan that operates like a revolving line of credit, meaning you save money by paying interest only on what you need. If you overspend on gifts by \$1,000, you only need to tap \$1,000. However, if your spending has made your balance sheet look more like the red in Santa's costume, you don't need to go to the North Pole to find more funds.

Compared to credit card rates, HELOC interest rates are much more affordable. Although rates may increase, the interest you pay may be tax-deductible, further lessening your net costs. Ask your tax specialist about potential deductions for the interest you pay and use this type of loan to get the most out of the equity in your home. Call or visit an FSB branch near you to take advantage of the new FSB HELOC with an introductory rate of 3.49% APR* for 12 months. Farmers State Bank will work with you to address your short-term financial needs and set up the best loan for you and your family.

APR- Annual Percentage Rate. A late fee will be assessed if payment isn't received 15 days after the 'payment due date' on your periodic statement. The late fee will be 5.0% of the unpaid amount or \$15.00 whichever is less. An appraisal may be required. The term of the loan is for 15 years. Interest is only paid on the amount borrowed. The minimum monthly payment is \$100.00 or the full balance if remaining amount is less. The periodic rate and the corresponding Annual Percentage Rate are based off the Wall Street Journal Prime Rate (The index). In no event will the periodic rate or corresponding APR go below 4.990% or more than 18.00% after the initial 12 mo. fixed rate of 3.49% APR. Example: \$10,000 for 15 years at 3.49 APR the monthly minimum payment would be \$130.00. Lending amount not to exceed 90% of the homes assessed value. Rates subject to change. Effective 12/1/2011



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Introducing Cedar Falls School Pride Cards

FSB is giving Cedar Falls something to cheer about - the Cedar Falls Tigers School Pride Card! The School Pride Cards are free to any FSB customer that has a checking account eligible for a debit card. To select your School Pride Card go to www.FSB1879.com, click on the "Design Your Custom Card" button at the top of the page, select Photo Gallery, then School Pride Cards and follow the simple instructions.

Current School Pride Cards available are:

- Cedar Falls Tigers
- Columbus Sailors
- Dike-New Hartford Wolverines
- Don Bosco Dons
- Dunkerton Raiders
- East Buchanan Buccaneers
- Hudson Pirates
- Independence Mustangs
- Jesup J-Hawks
- Union Knights
- Valley Lutheran Crusaders
- Wapsie Valley Warriors
- Waterloo Christian Regents



New schools are being added all the time. Check our Facebook page for the latest additions www.facebook.com/fsb1879.



New Year's Resolution - Get Financially Fit in 2012

With 2012 just weeks away, this is an ideal time to set new goals, such as becoming physically fit or getting organized. The New Year is also a great time to assess your finances, gain control and stick to a new budget or savings plan.

Create a Budget. Track your income and expenses to see how much money you have coming in and how much you spend. If you have debt, establishing a budget will help you to pay down your debt while you save. Use computer software programs or basic budgeting worksheets to help create your budget. Include as much information as you can and then set realistic goals for cutting expenses and saving money. Continue to track your spending and review your budget regularly.

Lower Your Debt. Establish a budget to pay down your existing debts - such as student loans, mortgages and credit cards. When reducing your debt, always make your payments on time and pay more than the minimum due. Generally, it is a good idea to pay off debt with the highest interest rates first.

Save for the Unexpected and Beyond. No matter how old you are, it's never too late to begin saving. Start by establishing an emergency fund that can be used in case of financial emergencies such as hospital bills or loss of a job. Determine how much money you are able to save each month, then deposit that amount in your FSB savings account. Financial advisors generally suggest saving enough money to cover your living expenses for three to six months.

Pay yourself first. If your paychecks are automatically deposited into your bank account, set up an automatic transfer to your savings account. Because the money is put into an account before you have a chance to spend it, automatic savings plans are an easy and convenient way to save.



Protect Yourself Against Identity Theft

Identity thieves can empty your bank account, max out your credit cards, open new accounts in your name, and purchase furniture, cars, and even homes on the basis of your credit history. While you may never be able to completely prevent your identity from being stolen, there are some steps you can take to help protect yourself from becoming a victim.

Check yourself out

It's important to review your credit report periodically. Check to make sure that all the information contained in it is correct, and be on the lookout for any fraudulent activity. You may get your credit report for free once a year at www.annualcreditreport.com.

Secure your number

Your most important personal identifier is your Social Security number (SSN). Guard it carefully. Never carry your Social Security card with you unless you'll need it. The same goes for other forms of identification (for example, health insurance cards) that display your SSN. Don't give it out over the phone unless you initiate the call to an organization you trust.

Don't leave home with it

Most of us carry our checkbooks and all of our credit cards, debit cards, and telephone cards with us all the time. That's a bad idea; if your wallet or purse is stolen, the thief will have a treasure chest of new toys to play with. Carry only the cards and/or checks you'll need for any one trip.

Keep your receipts

When you make a purchase with a credit or debit card, you're given a receipt. Don't throw it away or leave it behind; it may contain your credit or debit card information. And don't leave it in the shopping bag inside your car while you continue shopping; if your car is broken into and the item you bought is stolen, your identity may be as well. Save your receipts until you can check them against your monthly credit card and bank statements, and watch your statements for purchases you didn't make.

When you toss it, shred it

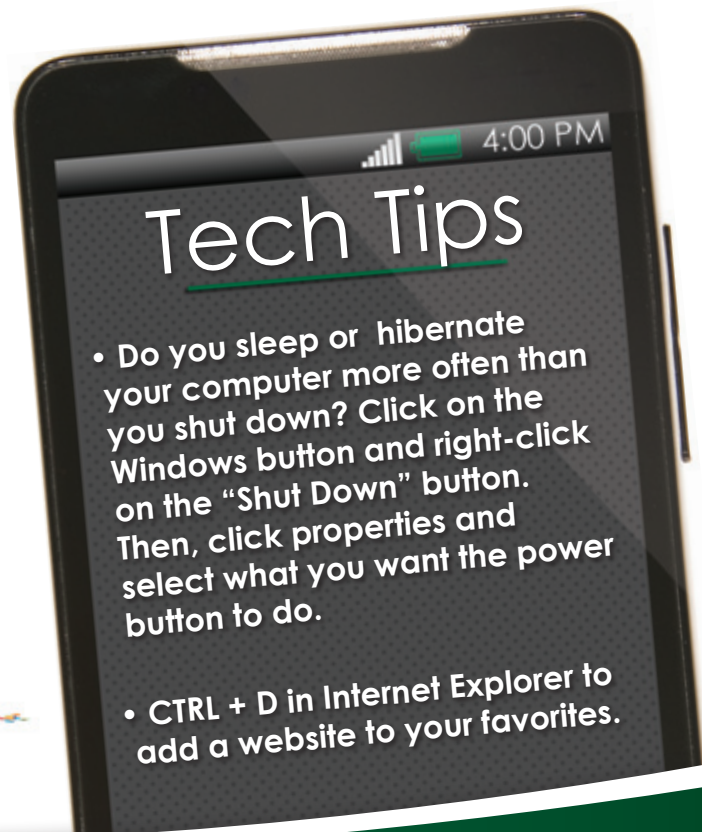
Before you throw out any financial records such as cancelled checks, or even offers for credit you receive in the mail, shred the documents, preferably with a cross-cut shredder. If you don't, you may find the panhandler going through your dumpster was looking for more than discarded leftovers.



Jordan Alborn
Financial Advisor
319-235-6561



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OPENING SOON
LA PORTE CITY





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APPLY FOR A
Mortgage Loan



APPLY FOR A
FSB Account



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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
Coming Soon!

SUDOKU

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Golden Horizons

A Club For Farmers State Bank Customers 55 & Older



Christmas Brunch, Jesup, IA - December 10th

Great food, entertainment and prizes! Brunch starts at 9:30AM. Cost is \$6.50 per person. Registration deadline is Dec. 3rd.



Diamond Jo Casino, Dubuque, IA - January 18th

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 at (319) 874-4344 or cindy.patten@FSB1879.com or Mary Jean 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

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