

THE KEY

JULY 2011



**Farmers
STATE BANK**

MEMBER FDIC

Building Your Success

**UNLOCKING YOUR
FINANCIAL OPPORTUNITIES**



In This Issue:

**Special Needs Trusts,
Independence Day Fun Facts,
A Splash of Fun & The Joys and
Financial Challenges of
Parenthood**

CD Rates:

9-13 Mo. - 1.12%^{APY*}

16-18 Mo. - 1.50%^{APY*}

25-30 Mo. - 1.90%^{APY*}

60-67 Mo. - 2.75%^{APY*}

Bump Up Rate:

36 Mo. - 2.25%^{APY*}

*APY=Annual Percentage Yield. Substantial penalty for early withdrawal, \$1,000 minimum opening deposit for 16-18 month, 25-30 month, 36 month Bump Up and 60-67 month terms. \$2,000 minimum opening deposit for 9-13 month. 9-13 month CD interest rate 1.11%, 16-18 month CD interest rate 1.49%, 25-30 month CD interest rate 1.89%, 36 month Bump Up CD interest rate 2.24%, 60-67 month CD interest rate 2.74%. Interest compounds every 3 months for CDs with a term less than one year and every 6 months for CDs with a term of one year or greater. For the 36 month 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 month bump up automatically renews into 3 year CD, all other CDs renew for same term. Effective 6/9/2011. Rates subject to change daily.

All New Check Cards

Farmers State Bank Check Cards have gotten a makeover. A new design without raised numbers makes these cards even more durable. Plus, you can receive your card in as little as 2 days! Upon opening a new account or requesting a replacement card, your check card will be printed and mailed to you. If you can't wait for snail mail, pick up your card at the Kimball Ave. location within two business days. Looking for something even more unique? With new Custom Check Cards from Farmers State Bank, you have control. Proudly display a picture of your newborn baby, your favorite pets or select a picture of your favorite vacation destination to remind you to save up for your next trip! You could also use a photo of yourself for additional security.

New Check Cards



(Standard Personal Card)



(Standard Business Card)

**To get your custom card
click on**



at www.FSB1879.com



(Custom Card Example)



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A Growing Trend...Special Needs Trusts

A special needs trust (sometimes called a supplemental needs trust) is a specialized legal document designed to benefit an individual who has a disability. This type of trust enables a person under a physical or mental disability, or an individual with a chronic or acquired illness, to have, held in trust for his or her benefit, an unlimited amount of assets.

A special needs trust, according to the law, can be used for "supplemental and extra care over and above what the government provides." It is important to remember that a special needs trust is a living legal document that is meant to not only maintain benefits eligibility, but also to bring enjoyment and new, positive experiences to the beneficiary.

Special needs trusts are becoming the estate planning tool of choice for many parents who wish to leave funds for a special needs child's benefit after their deaths. Most special needs trusts are created from the parents' will and funded by life insurance policy death benefits.

Be sure to consult your attorney and tax advisor when considering a special needs trust. Consider appointing a corporate trustee, such as Farmers State Bank, to manage and administer the trust. It is critical that a special needs trust be managed properly to ensure life-long benefits to the beneficiary and preserve family ties without complications and stress.

To learn more about how a trust could enhance financial security for you and your family, arrange to meet with our trust officer, Tammy Fleming, at your convenience. She can be contacted by calling 319-874-4321 or e-mail tfleming@fsb1879.com.



Tammy Fleming
Trust Officer
319-874-4321



A Splash of Fun!

Farmers State Bank is selling 1 day passes to Lost Island Water Park for \$21 each (normally \$25). Stop by any FSB branch to purchase passes. All purchases are cash only or FSB customers may have funds electronically transferred from their account.



Independence Day Fun Facts

- Benjamin Franklin wanted the turkey to be the national animal but was outvoted when John Adams and Thomas Jefferson chose the bald eagle.
- Over 150 million hot dogs will be consumed on the 4th of July. That's roughly one dog for every two people in the United States.
- Thirty cities in the US have "liberty" in their name. The most populous one is Liberty, Missouri (26,232). Iowa has more of these places than any other state: Libertyville, New Liberty, North Liberty and West Liberty.
- There is a 1 in 4 chance that the hot dogs and pork sausages you eat on the Fourth of July came from Iowa. The Hawkeye State is home to 19 million hogs and pigs. North Carolina (8.6 million) and Minnesota (7.6 million) are also homes to large numbers of pigs.



The Joys and Financial Challenges of Parenthood

How expensive is raising a child?

The U.S. Department of Agriculture estimates that the average cost of raising one child to age 18 ranges from \$205,960 to \$475,680 (Source: Expenditures on Children by Families, 2009). When they turn 18 add in college expenses, and your financial outlay can get even greater. According to the College Board, for the 2010/2011 school year, the average cost of one year at a four-year public college is \$20,339 (for in-state students), while the average cost for one year at a four-year private college is \$40,476. The bottom line: Children are expensive! Fortunately, as long as we remain alive and healthy, we manage to meet these expenses. But what would happen to your family if something happened to you? It's not the kind of question we like to dwell on, but these matters are important. This is why many financial professionals recommend that parents should take specific steps to help protect their financial well-being.



Jordan Alborn
Financial Advisor
319-235-6561

Review your life insurance coverage

Life insurance is one of the most effective ways to protect your family from the uncertainty of premature death. It can assure that a preselected amount of money will be on hand to replace your income and help your family members -- your children and your spouse -- maintain their standard of living. With life insurance, you can select an amount that will help your family meet living expenses, pay the mortgage, and even provide a college fund for your children. Best of all, life insurance proceeds are generally not taxable as income.

Purchase disability income insurance

If you become disabled and unable to work, disability income insurance can pay benefits--a specific percentage of your income--so you can continue meeting your financial obligations until you are back on your feet. What about Social Security? If you do become permanently disabled you may be eligible for benefits, but qualifying isn't easy.

Start building a college fund now

By starting today, you can help your children become debt-free college grads. The secret is to save a little each month, take advantage of compound interest, and have a sum waiting for you when your child is ready for college.

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

iPad 2 Winner

Congratulations to Mike Herbrandson (right) the lucky winner of the iPad 2 Giveaway at the new Downtown Waterloo branch.



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Golden Horizons

A Club For Farmers State Bank Customers 55 & Older



Ice Cream Social - July 20th @ 1:30-3:00PM - Jesup

Join us for complimentary ice cream and socialize with friends. Call Mary Jean for more details at 319-287-1050.



Jumer's Casino - August 16th

Pick up in Waterloo at 8:00AM and Jesup at 8:30AM. Return to Jesup at 4:30PM and Waterloo at 5:00PM. Cost: \$35 - includes buffet lunch, \$5 Isle play, transportation and gratuities. Please RSVP to Cindy at 319-874-4344 before August 9th.



Warrens Cranberry Festival - September 24th

Warrens Cranberry Festival is the world's largest cranberry festival. For more information visit www.CranFest.com. Cost: \$45 - includes transportation, step-on guided marsh tour and munches on the bus. Please RSVP to Cindy at 319-874-4344 by August 15th.

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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