

# THE KEY

APRIL 2010



## UNLOCKING YOUR FINANCIAL OPPORTUNITIES



**Farmers  
STATE BANK**

MEMBER FDIC

Cedar Falls • Waterloo • Jesup  
Raymond • Dunkerton • Gilbertville

## THE MORTGAGE EDITION

### IN THIS ISSUE:

HOME LOANS MADE SIMPLE,  
NEW LENDING REGULATIONS &  
SPRING YOUR HOME'S EQUITY

### CD RATES:

9-13 Mo. - 1.75%<sup>APY\*</sup>

15-17 Mo. - 2.00%<sup>APY\*</sup>

25-30 Mo. - 2.27%<sup>APY\*</sup>

60-67 Mo. - 3.27%<sup>APY\*</sup>

### IRA CD RATES:

26-32 Mo. - 3.00%<sup>APY\*</sup>

\*APY = Annual Percentage Yield. IRA = Individual Retirement Account. Qualified funds only. Substantial penalty for early withdrawal. Rates subject to change daily. \$1,000 minimum opening deposit for 15-17 month, 25-30 month, 26-32 month and 60-67 month terms. \$2,000 minimum opening deposit for 9-13 month term. 9-13 month CD interest rate 1.74%, 15-17 month CD interest rate 1.99%, 25-30 month CD interest rate 2.26%, 26-32 month IRA interest rate 2.98%, 60-67 month CD interest rate 3.24%. Interest compounds semi-annually for 15-17 month, 26-32 month & 60-67 month CD's and every 3 months for 9-13 month CD. Effective 4/1/2010.

## BUILDING YOUR HOME SWEET HOME

Finding the perfect home can be stressful, whether you're looking for more bedrooms, bathrooms or the right school district. Meeting all your family's needs isn't easy; but you could find the perfect home, and we can make finding it easier.

Building your dream home might be exactly what you're looking for. You choose the size, layout, location and contractor. You also decide where to get your loan.

At Farmers State Bank we offer very competitive construction loan rates. We'll work with you from the initial stages of gathering bids right through the last nail for your mailbox. Unlike other banks, Farmers State Bank makes it easy by not requiring monthly payments

while you're building. Many customers do choose to make interest payments at their convenience, but payment options are flexible. Also, there are no limits or charges for the bills we pay contractors on your behalf during the construction phase. Your initial injection into the project can come from savings, equity in the home you currently live in, or a lot you already own.

When your home is nearly complete, we'll help you refinance the balance from the construction loan along with the interest into your final long-term loan.

Contact a mortgage loan specialist at your local Farmers State Bank and start dreaming!



EQUAL HOUSING  
LENDER  
MEMBER FDIC

1-877-FSB-1879 • [www.FSB1879.com](http://www.FSB1879.com)

# HOME LOANS MADE SIMPLE

At Farmers State Bank we make applying for a mortgage loan as simple as possible. Once you have decided to purchase a home, the first step is to determine the amount you would like to borrow. If you are unsure of what that might be, we would be happy to visit with you and help you decide what amount fits your budget. After you've established your loan amount, you can complete your application with the help of one of our mortgage specialists or apply online right from your own home.

When you meet with your personal mortgage loan officer, all that you will need to know is the approximate amount you would like to borrow, your income, your assets (checking, savings, certificates of deposit, retirement funds, etc) and your obligations. Your assets can be used for your down payment and the reserves you will want to have on hand after the home loan is closed.

Once the application is complete and you have picked out the home of your dreams. Your loan officer will be your contact from start to finish so you always know who to call if you have any questions or concerns.



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## WHAT FARMERS STATE BANK OFFERS

**LONG-TERM FIXED RATE MORTGAGES** - FSB offers competitive rates on our fixed rate mortgages. Have peace of mind knowing you will have a locked interest rate and set payments made over a fixed period of time. Ask us about the benefits of refinancing your current home loan at today's low rates, combining your first and second home loans, or get cash to make some home improvements.

**JUNIOR HOME EQUITY** - A second mortgage with a fixed rate, set payments and a specific period of time. Use this loan for a vacation, a vehicle purchase, education expenses or even extra cash.

**HOME EQUITY LINE OF CREDIT (HELOC)** – An open-ended revolving line of credit secured by the equity in your home. Use it and pay it back at your convenience. Interest only or minimum payments will apply; you have great flexibility with this line of credit.

**80/15 MORTGAGE LOAN** - A combination of a 1st and 2nd mortgage that allows you to finance up to 95% of your home purchase. This is a great option if you don't have a 20% down payment and want to avoid paying private mortgage insurance.

**3/1 ARM (ADJUSTABLE RATE MORTGAGE) LOAN** – A loan with a set interest rate and payment for the first 3 years. The interest rate and payment may change after 3 years based on the movement of the loan's rate index.

**CONSTRUCTION LOAN** - A temporary real estate loan used for a building project, with an unlimited number of draws up to the loan amount. As well as residential, we do construction loans for commercial and agricultural buildings.

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## SPRING YOUR HOME'S EQUITY



Spring is on the way, which means it's time to start those outdoor projects you've been dreaming about all winter. As a home owner, a Home Equity Line of Credit (HELOC) from Farmers State Bank can be a great way to finance your projects. You can save money and may benefit from a tax deduction by using this loan instead of a credit card.\* Interest rates on a HELOC are typically lower than other loans and credit cards.

Enjoy the satisfaction of finishing your big project with a loan that saves you money, a Home Equity Line of Credit from Farmers State Bank. To find out more about HELOC's, stop at your local branch or visit us online at [www.FSB1879.com](http://www.FSB1879.com).

\*You should consult a tax advisor regarding the deductibility of interest and any charges for these loans.



# APPLY FOR A MORTGAGE LOAN ONLINE!



Step 1 - Go to [www.FSB1879.com](http://www.FSB1879.com) and click on “Apply for a Mortgage Loan” at the top of the page.

Step 2 - Complete our online application, and one of our Personal Bankers will contact you to introduce themselves. They will answer any questions you may have, guide you along the way, and contact the seller.

Step 3 - Your application package will be available to be processed for closing. The package will contain papers for you to sign and a list of financial items we’ll need to verify. Then we will order the appraisal and assure the legal title work is prepared.

Step 4 - After we receive your application package, the appraisal, the title work and other required documentation, we’ll contact you and the seller to schedule a closing. A few days before the closing, your Personal Banker will contact you to walk through the final information. So apply online today!

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## NEW LENDING REGULATIONS

In 2009, major revisions were made to two key regulations affecting the mortgage lending industry: the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA).

Some of these regulatory changes will benefit the consumer greatly, while others may be a bit more confusing and will bring about both positive and negative consequences.

Revisions to RESPA have resulted in a more simplified and uniform Good Faith Estimate (GFE), which estimates the closing costs of a mortgage transaction at application, before a consumer has committed to the transaction. Thus, consumers will receive a uniform GFE regardless of where they apply for a mortgage loan, which will allow consumers to more easily shop for mortgage loans at various lending institutions. Also, to encourage shopping, you will no longer have to pay application fees to those institutions (other than a credit report) until you decide to proceed with the transaction.

New timing requirements for the TILA will boast both positive and negative effects for consumers. On one hand, the new requirements will lengthen the amount of time before consumers receive their money for all mortgage loans. However, these requirements were designed to protect consumers from unfair, abusive, or deceptive lending practices, and they will ultimately offer greater protection to consumers in the mortgage market.

If you have any questions regarding these changes, please contact FSB at (877) FSB-1879 or at [HomeLoans@FSB1879.com](mailto:HomeLoans@FSB1879.com).







## CLICK




Apply for an Auto Loan



Apply for a Mortgage Loan



Apply for an Account

AT

[www.FSB1879.com](http://www.FSB1879.com)

### BRANCH & ATM LOCATIONS:

- |   |  |
|---|--|
| <b>Cedar Falls</b><br>(1 <sup>st</sup> St & Hudson Rd)<br>1710 1 <sup>st</sup> St Ste A<br>(319) 268-1879 | <b>Waterloo</b><br>(Kimball & San Marnan)<br>1009 Peoples Sq<br>(319) 287-3961 |
| <b>Jesup</b><br>1310 6 <sup>th</sup> St<br>(319) 827-1050   | <b>Raymond</b><br>300 South 3 <sup>rd</sup> St<br>(319) 232-3070               |
| <b>Dunkerton</b><br>905 Jon Rd<br>(319) 822-2521  | <b>Gilbertville</b><br>1222 5 <sup>th</sup> St<br>(319) 296-1410               |

### OTHER ATM LOCATIONS:

- Cedar Falls**  
Prime Mart - 2827 Center St  
Tobacco & Liquor - 2328 College St  
Prime Mart - 2323 Main St
- Waterloo**  
Supervisors Club - 3265 DeWitt Rd  
Omega Cabinets - 1205 Peters Dr  
Court House - 316 E 5<sup>th</sup>  
Prime Mart - 1008 LaPorte Rd  
Prime Mart - 3535 Marigold Dr
- Gilbertville**  
Mini Mart - 115 25th Ave
- Independence**  
Starlight Cinema - 2401 Swan Lake Blvd

## FIND YOUR KEYS

O L T A O A V C B F N U U O  
 T I U D R I G D R O A C A N  
 C L D P E T C I I T R O P M  
 C C O I S T T T I D E R C E  
 D L O D S S A V E Y C M O W  
 S N O I T C U R T S N O C W  
 S N E A I R L I T T A R F O  
 R I F L N A U O I F N T T E  
 T U P I T Q E N S T I G M D  
 A P N U E M O H D U F A N S  
 A T P E R C E N T N R G N N  
 C R E I E L U N U T E E D N  
 G T G F S F T O E A E E R  
 R R N A T N A F O D V R N T

### KEY WORDS

- APPLICATION
- BORROW
- CONSTRUCTION
- CREDIT
- DISCLOSURE
- EQUITY
- FINANCE
- FUND
- HOME
- INTEREST
- LEND
- LOAN
- MORTGAGE
- PERCENT
- RATE
- SAVE

FDIC DEPOSIT INSURANCE COVERAGE LIMITS THROUGH DECEMBER 31, 2013 BY ACCOUNT OWNERSHIP CATEGORY *	
Single Accounts (owned by one person)	\$ 250,000 per owner
Joint Accounts (owned by two or more persons)	\$ 250,000 per co-owner
Certain Retirement Accounts (includes IRAs)	\$ 250,000 per owner
Revocable Trust Accounts	\$ 250,000 per owner per beneficiary up to 5 beneficiaries (more coverage available with 6 or more beneficiaries subject to specific limitations and requirements)
Corporation, Partnership and Unincorporated Association Accounts	\$ 250,000 per corporation, partnership or unincorporated association
Irrevocable Trust Accounts	\$ 250,000 for the non-contingent, ascertainable interest of each beneficiary
Employee Benefit Plan Accounts	\$ 250,000 for the non-contingent, ascertainable interest of each plan participant
Government Accounts	\$ 250,000 per official custodian

For questions about FDIC coverage limits and requirements, visit [www.FDIC.gov/deposit/deposits](http://www.FDIC.gov/deposit/deposits), call toll-free 1-877-ASK-FDIC, or ask one of our helpful representatives.

\* On January 1, 2014, the standard coverage limit will return to \$100,000 for all deposit categories except certain retirement accounts (includes IRAs), which will continue to be insured up to \$250,000 per owner.

