

THE KEY



MARCH 2011



**Farmers
STATE BANK**

Building Your Success

UNLOCKING YOUR
FINANCIAL OPPORTUNITIES

Come in WE'RE

OPEN

Downtown Waterloo!
On The Corner of 6th & Jefferson St

IN THIS ISSUE:

INCREASE YOUR RETIREMENT SAVINGS, ST. PATRICK'S DAY FUN FACTS & SECURE YOUR FAMILY'S FUTURE

CD RATES:

9-13 Mo. - 1.22%^{APY*}

16-18 Mo. - 1.66%^{APY*}

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

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

IRA CD RATE:

36 Mo. - 2.25%^{APY*}

*APY=Annual Percentage Yield. IRA=Individual Retirement Account. Qualified funds only. Substantial penalty for early withdrawal, \$1,000 minimum opening deposit for 16-18 month, 25-30 month, 36 month IRA and 60-67 month terms. \$2,000 minimum opening deposit for 9-13 month. 9-13 month CD interest rate 1.21%, 16-18 month CD interest rate 1.65%, 25-30 month CD interest rate 1.89%, 36 month IRA CD interest rate 2.24%, 60-67 month CD interest rate 2.72%. 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. Effective 3/1/2011. Rates subject to change daily.

HOW TO SAVE WITH A HOME REFINANCE

Housing costs are generally one of the largest components of most household budgets. With interest rates changing so frequently, you should periodically determine whether refinancing at current interest rates would save you money.

To determine whether you should consider refinancing, you need to compare the costs of obtaining a new mortgage with the savings you will enjoy with a reduced interest rate.

The mortgage calculator on our website (www.FSB1879.com) can make the calculation easier. It can easily determine estimated monthly payments for any size mortgage with any interest rate.

When reviewing the feasibility of refinancing, you may also wish to consider refinancing a larger or smaller amount than the current

balance of your mortgage. If you have excess funds available and believe you will have a hard time earning a return greater than the mortgage rate, you may want to pay down your mortgage and get a new one that is smaller.

If you have other liquidity needs, you may want to refinance a larger amount to free up some of the equity in your home.

No interest rate environment lasts forever. Unfortunately, there is no crystal ball that will tell you when rates have reached their lowest level.

Contact an FSB home loan expert to help you evaluate whether refinancing now makes sense for you. Evaluating the type of mortgage you want can help you take control of one of your largest household expenses.

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





INCREASE YOUR RETIREMENT SAVINGS

An individual retirement account (IRA) is a personal retirement savings plan that offers specific tax benefits. In fact, IRAs are one of the most powerful retirement savings tools available to you. Even if you're contributing to a 401(k) or other plan at work, you should also consider investing in an IRA.

There are two major types of IRAs: Traditional IRAs and Roth IRAs. Both types allow you to make annual contributions of up to \$5,000 in 2009 and 2010. Traditional IRA's allow for tax-deductions for the year in which the contributions are made, but will be taxed at the time of withdrawal. Roth IRA's, on the other hand, offer no tax-deductions up front, but allow for tax-free withdrawals. The Roth IRA will probably be a more effective tool if you don't qualify for tax-deductible contributions to a traditional IRA. However, if you can deduct your traditional IRA contributions, the choice is more difficult.

Most professionals believe that a Roth IRA will still give you more "bang for your buck" in the long run, but it depends on your personal goals and circumstances. The Roth IRA may very well make more sense if you want to minimize taxes during retirement and preserve assets for your beneficiaries. However a traditional deductible IRA may be a better tool if you want to lower your yearly tax bill while you're still working (and probably in a higher tax bracket than you'll be in after you retire).

A financial expert with FSB Warner Financial can help you pick the right type of IRA for you. Give us a call at 319-235-6561 or visit us online at www.FSBFS.com.

ST. PATRICK'S DAY FUN FACTS

- ✿ St. Patrick's Day is observed on March 17th. The reason it is celebrated on March 17th is because St. Patrick is believed to have died on March 17th 461AD.
- ✿ In Ireland on St. Patrick's Day, people traditionally wear a small bunch of shamrocks on their jackets or caps. Children wear orange, white and green badges, and women and girls wear green ribbons in their hair.
- ✿ In Chicago, the Chicago River is dyed green with a special dye that only lasts a few hours. There has been a St. Patrick's Day parade in Boston, Massachusetts since 1737.
- ✿ Ireland is associated with the color green because it is known as "The Emerald Island."
- ✿ According to the Guinness Book of World records, the highest number of leaves found on a clover is 14!
- ✿ Legend says that each leaf of the clover means something: the first is for hope, the second for faith, the third for love and the fourth for luck.
- ✿ The Irish flag is green, white and orange. The green symbolizes the people of the south, and orange, the people of the north. White represents the peace that brings them together as a nation.
- ✿ 34 million Americans have Irish ancestry. That's almost nine times the population of Ireland, which has 4.1 million people.



SECURE YOUR FAMILY'S FUTURE

Estate planning is often only considered essential for wealthy or older individuals. However, if you have loved ones, you should have a plan. Estate planning means providing for your family after you are gone. It allows you to make important decisions about caring for your loved ones.

A proper estate plan addresses the following major issues:

- Who do you want as the executor to settle your estate? That person should be someone who understands your wishes and can be trusted to carry them out as you desire.
- How will any minor children be protected? This includes naming a guardian and making decisions about the future financial security of the children.
- How will your assets be distributed? Wills are used to designate who will receive your assets. Trusts may be useful for the ongoing management and distribution of your assets.



An estate plan should be reviewed periodically as your situation changes. Births of children, changes in marital status, increases in income or wealth, or moving to another state should also trigger a review of your plan.

Estate planning is not a task to be taken lightly, as rules are complex and may differ by state. It is important that your will and other documents take the new laws fully into account. A qualified FSB Trust Expert can ensure that your estate plan accomplishes your objectives. To learn more about how we can help you, contact our Trust Specialist, Tammy Fleming, at 319-874-4321.

.....

SPRING INTO YOUR BIG PROJECT

Spring is on the way, which means it's time to start thinking about your big outdoor project. As a home owner, a Home Equity Line of Credit (HELOC) from Farmers State Bank can be a great way to finance your project.

You can save money and also benefit from a possible 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 Home Equity Line of Credit from Farmers State Bank. To find out more about HELOCs, stop at your local branch or visit us online at www.FSB1879.com.





CLICK



APPLY FOR AN
Auto Loan



APPLY FOR A
Mortgage Loan



APPLY FOR A
FSB Account

AT
www.FSB1879.com

BRANCH LOCATIONS:

Cedar Falls
(319) 268-1879

Waterloo
(319) 287-3961

Jesup
(319) 827-1050

Raymond
(319) 232-3070

Dunkerton
(319) 822-2521

Gilbertville
(319) 296-1410

Downtown Waterloo
(319) 274-1879

FIND YOUR KEYS

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

KEY WORDS

- ARRANGEMENT
- CONTRIBUTION
- DEDUCTIBLE
- EQUITY
- ESTATE
- EXECUTOR
- GUARDIAN
- INDIVIDUAL
- INTEREST
- MORTGAGE
- REFINANCE
- RETIREMENT
- ROTH
- SHAMROCK
- TAX
- TRADITIONAL

Golden Horizons

A Club For Farmers State Bank Customers 55 & Older



Once Upon a Dream

Enjoy this musical tribute to Loretta Lynn and Patsy Cline, starring Sherrill Douglas, at The Old Creamery Theatre in Amana on April 8. To reserve your seat call 319-874-4344 before March 15. Tickets are \$68.00 per person, which includes travel, lunch, and the show. We hope to see you there!



A Special Day in Dysart

Come enjoy delicious food, unique shops, interesting sites and friendly folks May 4 in Dysart. To reserve your seat call 319-874-4344 before April 27. Tickets are \$40 per person, which includes transportation, gratuities, rolls, coffee and lunch. We hope to see you there!