

# Financial Note\$

Financial Note\$...News from the Bank of St. Elizabeth

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BANK OF ST. ELIZABETH

MARYS HOME BANK

BANK OF FREEBURG

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*"People forget how fast you did a job; but they remember how well you did it.."*

*Howard Newton*

Postal Patron/Current Resident

## FDIC Deposit Insurance Changes

There have been several key developments this year in FDIC Insurance coverage.

- On July 21, 2010 the Standard Maximum Deposit Insurance amount was permanently raised from \$100,000 to \$250,000.
- There are also easy ways to increase your FDIC coverage beyond \$250,000 by titling **your accounts in a specific manner**. That's because the **basic insurance coverage limit** applies per person, per institution, for each account ownership category under the FDIC's rules.
- Beginning January 1, 2011 and expiring on December 31, 2012 the FDIC will provide unlimited coverage of noninterest-bearing transactions accounts. This means your checking accounts and other accounts that are more transactional in nature and do not pay interest will have unlimited FDIC coverage.

Confused? Give us a call or stop by any of our locations to discuss how we can help you ensure your funds are fully protected.



## "What are rates doing today?"

We've been hearing this question repeatedly over the past few months. Judging by the amount of recent home refinancing, our customers are very aware of the near record lows in home mortgage rates but did you know, at the Bank of St. Elizabeth we have other products that are just as attractive to help farmers and small business owners of all types?

Family Farm Breeding Livestock Loan:

Qualified applicants will receive an interest free loan for one year when they purchase breeding livestock. **No, your eyes aren't deceiving you; that is 0% interest for 1 year.** There is a 1% loan application fee but this product is very attractive to any farmer who is interested in increasing their herd, improving cash flow or just reducing debt at a faster pace.

Missouri Linked Deposit Program

If you are a small business owner or a farmer who is interested in expanding your operation this is the program for you. In some cases, we have been able to reduce interest rates on these types of loans up to 3-4%. **As we all know, in today's economy any opportunity to reduce overhead costs needs to be explored.** Listed below are just some of the loans that qualify for this program.

- Building Expansion
- Equipment Purchases
- Operating Lines
- Livestock, feed, fertilizer, rent, wages, etc.

If you are interested in discussing any of these products please give us a call or stop by one of our locations to visit with one of our experienced loan officers. And remember, we make house calls!



# Holiday Schedule

The Banks will be open until 11:30 AM on Friday, December 24th (Christmas Eve).

The Banks will not be open Saturday, Christmas Day.

The Banks will be open for normal business hours on Friday, December 31st, **New Year's Eve.**

The Banks will not be open January 1st, **New Year's Day.**

We wish you and your family a safe and happy Holiday!

# Items For Sale

◆ 19 acres with barn, shed and small pond located 4 miles west of Iberia at 1179 Hwy 42. \$60,000.

◆ 50 acres, mostly wooded, just off Hwy 42, 4 miles west of Iberia. Will Subdivide. Price negotiable depending on acreage \$75,000.

◆ 3 acre building lot on west edge of Mary's Home. \$13,000.

◆ One acre business lot on north-east side of Eldon on Business 54 across the road from the Ford Dealership. \$25,000

◆ 12.8 undeveloped acres on Hwy 54 and Allen Road, between Eldon and Lake Ozark. \$105,000.

◆ House and duplex at Moreland's Resort. Both sides of duplex currently rented. \$190,000

◆ 1,830 sq ft, 4 bedroom, 2 bath ranch home on 3+/- acres in Eugene. Has 30X30 detached garage with small living quarters. \$120,000

◆ Butler-type building with office and warehouse space just off Hwy 5 at 185 Beachwood Drive in Sunrise Beach. 5,046 sq ft of space on a concrete slab with 3+/- acres. \$110,000

# Health Savings Account Changes

## HSA Changes

The new health care bill won't do anything to change High Deductible Health Plans (HDHPs) however; there will be a few key changes to Health Savings Accounts (HSAs).

- OTC Medicines: Beginning in 2011, HSA funds cannot be used for over-the-counter medicines unless specifically prescribed by a doctor. This will prevent funds from being used for items such as contact solution and bandages. Stock up on non-prescription medicines before the end of 2010. Starting in 2011, ask your doctor to write prescriptions if you have the choice between a prescription and non-prescription drug. This will allow you to run the expense through your HSA.
- Penalty: HSA funds carry over from year to year. If you max out your HSA and don't use the funds, you can find yourself with a rather large balance after a few years but remember, if you withdraw the funds for other purposes, you'll face a 10% penalty. Beginning in 2011, that penalty will increase to 20%. Currently, the penalty does not apply if you're over 65 since the health care bill does not specifically address that provision.

## HSA Planning and Impacts

If you think you'll need the money for healthcare expenses now, in the future or for long term care expenses down the road, an HSA is a great way to save money to be used tax free later.

If you never spend another dime on medical expenses, you can use your HSA to supplement your retirement accounts in that if you wait until you are 65 to take the money out for any reason; it operates much like an IRA. You simply pay the regular tax on what you withdraw and you'll enjoy the tax-free accumulation just like you would in an Individual Retirement Account.

In addition, if you put the maximum into an HSA, never use it (allowing it to grow tax free) but save all your receipts for all the medical expenses you incur along the way, you can take that amount out 20 or 30 years from now TAX FREE up to the amount you are reimbursing yourself for all those past expenses all the while earning tax-free earnings on your HSA account.

For more information, stop by one of our banking locations or call Liz or Ramona at our St. Elizabeth location (573) 493-2313

# Faces in the Bank



Allen Gradel  
Vice President and  
Loan Officer

As a lifelong resident of Freeburg, Allen has been a fixture at the Bank of Freeburg for over 17 years.

While Allen is instrumental in all aspects of the bank's operations, he specializes in lending. From consumer loans to home loans and everything in between Allen is helpful, knowledgeable in all aspects of lending operations.

When asked how banking has changed during his 17 year career, Allen responded,

**"Automation and technology development have been a constant since I started in 1993. From computer-generated loan documents, check imaging to email statements and debit cards. With all of these changes we have strived to protect our customers' privacy."**



Randy Bono  
SVP—Operations

Randy joined the bank in August. Randy is a CPA with experience auditing Financial Institutions and Data Processing Centers and is a former Missouri State Bank Examiner.

Randy's work experience includes Midwest Independent Bank; a bankers' correspondent bank, Williams Keepers CPA, LLC and 13 years with Premier Bank working in all

phases of the operations most recently as Senior Vice President of Information Technology and Security.

**"What I enjoy most is the interaction with customers; something the Banks of St. Elizabeth excel at. So many aspects of banking have become electronic and non personal. It is much more enjoyable to work for a bank which builds close personal relationships with customers."**

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