



Selling or Refinancing?

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Farmers & Merchants Bank FINANCIAL

focus

WINTER 2010 - 2011



Smart Moves For Staying Put



Play It Safe

In an unpredictable market, it's crucial for home buyers to carefully consider how much home they can afford.

Being a seller in today's housing market is tough. There are many more homes on the market than last year, and all are competing for the attention of a smaller number of buyers. Now just might not be the right time to sell your home. Consider modifying your existing space rather than buying an updated or larger home down the block.

Benefits of Remodeling

Remodeling can be a good way to get the space you need without the hassle of selling your home. If you enjoy the location of your home, it's an even bigger incentive to stay put and turn the house you already own into the house of your dreams. Another bonus to remodeling is that by bringing your home up-to-date or expanding the square footage, you can expect to recoup some of the costs if you do decide to sell. When determining the scope of potential home renovations, keep in mind that expensive improvements don't always reap big rewards at the selling table. Consider the value the improvements will bring to you and your family, in addition to the potential added value to your home's price tag. Maybe you need more space for a growing family. Or, perhaps your outdated kitchen is so inefficient that you've

found yourself eating out every night. Buying your dream house with more bedrooms and a gourmet kitchen might solve your problems – or you could stay out of the difficult housing market altogether and remodel instead.

Look to Us

The equity in your home can be a smart tool for financing goals if you think long-term value. Use a home equity loan or line of credit for things that last, such as home renovations or a child's education. By being judicious about borrowing against your home equity, you'll help ensure that you'll be in a sound financial position when it comes time to sell your home. We can help you explore home equity options that meet your borrowing needs, whether you're planning on staying put for a few years or decades. Call us at 800-382-0049 or go to www.fmb4banking.com for more information. ■

According to Remodeling magazine, the best remodeling investments are:

- Siding replacement (cost recovered: 87%)
- Minor bathroom remodel (cost recovered: 85%)
- Minor kitchen remodel (cost recovered: 85%)
- Window replacement (wood) (cost recovered: 85%)
- Two-story addition (cost recovered: 83%)
- Adding an attic bedroom (cost recovered: 80%)

FMB Lenders

Making the decision to finance a home can be complicated, whether you are buying your first home or refinancing your existing home. The lenders at FMB make the process easy to understand from prequalifying to closing. Their many years of experience have given them an extensive knowledge of the products and services available today. Contact one of our lenders today!

In St. Clair, contact Tracy Davis at (800) 382-0049 or 636-629-2225.

In Lonedell, contact Tanya Gable at 636-629-2002.

In High Ridge, contact Matthew Laumann or Jeff Branson at 636-677-7500.

In Eureka, contact Jeff Maupin or Pam Curry at 636-938-7878.



www.fmb4banking.com

Do You Know?

Ways to protect yourself during the holiday season.

Thieves seek targets that are quick and easy to hit. However, by following a few common sense tips, you can make your car, home, and self look like a less appealing target.

When shopping in public places, consider:

- Shop during daylight hours, or park in well-lit, high-traffic areas.
 - Leave personal valuables at home. If you must leave valuables in your car while shopping, hide them out of sight—in the trunk or stowed under a seat.
 - Always lock your car, and close the windows and sunroof.
 - Dress casually, and avoid wearing expensive jewelry.
 - Avoid carrying large amounts of cash, and pay for purchases with checks or credit cards when possible.
 - Beware of strangers approaching you for any reason. Con artists try various methods of distracting you, while their partners find ways to part you from your valuables.
 - Keep a record of all credit card numbers in a safe place at home so that you can contact your credit card provider immediately if a card is lost or stolen.
- Your home is another vulnerable spot. While away from home:**
- Have a neighbor watch your house and pick up mail.
 - Keep lights on automatic timers, and keep curtains closed.
 - Leave a radio or television on, so the house sounds occupied.
 - Don't leave holiday gifts or household valuables visible through windows.
 - Don't brag to friends on Facebook or other social media websites that you are out of town.

Follow these common sense suggestions to enjoy a happy holiday season.



The Secure Way to Pay Your Federal Taxes

Secure - Easy - Convenient - Accurate

The Electronic Federal Tax Payment System (EFTPS) is a service provided free by the U.S. Department of the Treasury that enables business and individual taxpayers to make all their federal tax payments electronically 24 hours a day, 7 days a week through the Internet or phone. You can schedule a business payment up to 120 days in advance, or an individual payment up to 365 days in advance. *Use EFTPS and avoid possible IRS penalties*

- Pay your individual taxes, especially your 1040ES taxes.
- Use the Internet or phone.
- Be assured of security and privacy.
- Follow the easy, step-by-step instructions online or by phone
- Make a payment in a matter of minutes.
- Access the system 24 hours a day, 7 days a week.
- Receive an immediate acknowledgement of every transaction as a receipt.
- Review the last 16 months of your payment history online or by phone.
- Schedule payments up to 365 days in advance.
- Rely on EFTPS - 19 times more accurate than paper coupons or vouchers.

Questions? Call EFTPS Customer Service: 1-800-316-6541



Buying, Giving, and Using Gift Cards



The Federal Trade Commission, the nation's consumer protection agency, has tips and information for consumers who use gift cards for holiday gift-giving.

Tips for buying gift cards:

- Buy from known and trusted sources. Avoid online auction sites, because the cards sold there may be counterfeit or may have been obtained fraudulently.
- Read the fine print before buying. Is there a fee to buy the card? Are there shipping and handling fees for cards bought by phone or online? Will any fees be deducted from the card after it is purchased?
- Inspect the card before buying it. Verify that no protective stickers have been removed, and that the codes on the back of the card haven't been scratched off to reveal a PIN number. Report any damaged cards to the store selling the cards.
- Give the recipient the original receipt in case the card is later lost or stolen.
- Before you buy retail gift cards, consider the financial condition of the retailer or restaurant.

Tips for using gift cards:

- Note any terms and conditions, and check for an expiration date or fees.
- If it appears that a card has expired or fees have been deducted, contact the company that issued the card. Ask whether the card can be honored or the fees can be reversed.
- Ask anyone who gives you a card for its terms and conditions, the original purchase receipt, or the card's ID number. Keep this information in a safe place.
- Use gift cards as soon as possible, because it's not unusual to lose or forget about them.
- Treat a card like cash, and if it is lost or stolen, report this immediately to the issuer. Some issuers will not replace cards that are lost or stolen, while other issuers will, for a fee.

For more information on gift cards, check out the FTC website: <http://www.ftc.gov>.





Have You Prepared Your Will?

When a loved one dies, it is a traumatic event for the family. Be sure your family and friends do not become entangled in haggling and legal procedures in the disposition of your estate by having your will prepared in advance.

With today's technology, you have access to many online forms you can use in preparing your "last will and testament". These forms make it easy if your estate is simple and straightforward. If

you have a complex financial portfolio, it would be advisable to seek the advice of an attorney. The most important thing to remember is that if you die without a will, your estate will be determined by state law, and if no one can be found to inherit your property, it goes to the state.

For those who are parents, it is extremely important that you have a will that names a guardian for your minor children should both of you die. Otherwise, the state will decide who cares for your children. It is important that both you and your spouse designate the same person to be the personal guardian of your minor children. That same guardian can also be designated to manage any property or trusts you leave to your children. This trustee would manage the property or trusts until your minor children reach legal age, or an age specified by you, to inherit the property.

As for surviving spouses, if you live in a community property state, your surviving spouse is entitled to half of your estate. The other half can go to anyone whom you designate. Other states require the surviving spouse to go to court to claim their share of the estate. In the rare event that someone should challenge your will, they would have to prove to a court that the will was invalid.

After your will is written, it must be signed and dated by you in the presence of witnesses (usually two witnesses). Many states require that those who witness the signing of your will are not designated to receive any part of the estate. While there are no requirements that your will be notarized, having you and your witnesses sign the document in the presence of a notary public will simplify the validity of the will when you die. Be sure your signature is placed at the end of the will or your will could be invalidated by the courts. It is not necessary to record or file your will with any government agency, but be sure you keep it in a safe place, such as a safe deposit box at your bank.

Be sure the document is accessible to your executor, the person you designate to handle the affairs of your estate. You should also prepare a document for your executor with up-to-date information on your credit cards, insurance policies, bank information, and other financial information, and keep a copy with your will. Your will can always be updated should changes occur like marriage, adoption, births of additional children, death or divorce. Other changes might include changes in tax law or you might decide to appoint a different executor of you estate. In these instances, most attorneys just re-write the will rather than prepare a codicil.

If you have any questions, it would be advisable to consult a professional.

Ways to Easily Protect Your Identity

The following tips can help lower your risk of becoming a victim of identity theft:

- 1. Protect your computer** by installing up-to-date anti-virus and anti-spyware protection; use a firewall when you browse the Internet; and encrypt and safeguard your portable devices and documents.
- 2. Protect your personal information from fraud by opting for electronic delivery** of your financial statements and other bills, and shredding paper documents containing your personal information before disposing them. Store important files on a removable disc or external hard drive.
- 3. Protect your passwords and keep them out of sight at all times.** Never share your passwords with anyone; avoid using easy-to-guess common words or your personal information; change your password every 90 days; and use a unique password for each online account you create.
- 4. Be on the lookout for fraudulent websites so you can avoid them, and only use legitimate sources** to contact financial institutions, such as an official website or the telephone number listed on statements and on the back of bank or credit cards.
- 5. Don't click on that link!** Be wary of emails, phone calls, or text messages that may look as though they come from a legitimate company, asking you to click on a link to update your personal information. This is called phishing, a technique used by identity thieves to steal your personal information.

FMB Kids Club Is Now Online!

FMB Kids Club Members can go to www.fmb4banking.com and click the "FMB Kids Club" link at the top of the page. There they will find links to educational and fun activities, such as crossword puzzles, memory games, check writing, budgeting skills and much more! We also now feature the *Pig E. Bank Gazette*, which is a newsletter just for kids.

Check it out today!



Farmers & Merchants Bank
An Independent Community Bank
since 1913 Member FDIC
St. Clair - Lonedell - High Ridge - Eureka
www.fmb4banking.com

In Your Neighborhood...

Main Bank

530 South Main
PO Box 635
St. Clair, MO 63077
636.629.2225 phone
636.629.4537 fax

Branch News:

- Willie Clay will be retiring from FMB. We wish her the best in her retirement!
- Welcome Laura Sullivan as Human Resource Manager.
- We are collecting non-perishable food items until 12/22/2010. Stop by and donate today!

Plaza Bank

905 St. Clair Plaza
St. Clair, MO 63077
636.629.1903 phone
636.629.3113 fax

Branch News:

- Plaza is collecting non-perishable food items to help fight hunger in their area. If you wish to help their cause, they are accepting donations until 12/22/2010. Happy Holidays!

Lonedell Bank

3732 Hwy 30
Suite B
Lonedell, MO 63060
636.629.2002 phone
636.629.5522 fax

Branch News:

- Lonedell is collecting non-perishable food items to help fight hunger in their area. If you wish to help their cause, they are accepting donations until 12/22/2010. Happy Holidays!

High Ridge Bank

1010 Crossroads Place
High Ridge, MO 63049
636.677.7500 phone
636.677.0403 fax

Branch News:

- High Ridge is collecting non-perishable food items to help fight hunger in their area. If you wish to help their cause, they are accepting donations until 12/22/2010. Happy Holidays!

Eureka Bank

619 Stockell Drive
PO Box 146
Eureka, MO 63025
636.938.7878 phone
636.938.3793 fax

Branch News:

- Eureka is collecting non-perishable food items to help fight hunger in their area. If you wish to help their cause, they are accepting donations until 12/22/2010. Happy Holidays!

Welcome to the F & M Travel Club!

If you are interested in going on breathtaking journeys, meeting new people with your same interests, and making wonderful memories, you have come to the right place! We not only journey to far away places that stretch the globe, but we also offer fun and exciting day or weekend trips to see the sites around the great state of Missouri. Here are a few of our upcoming trips. Go to www.fmb4banking.com or stop in one of our locations to see more of our scheduled trips!



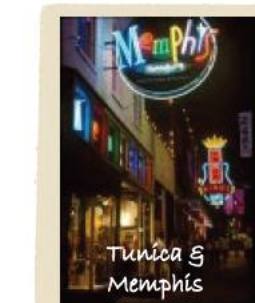
Myrtle Beach

April 9 - 15, 2011

Call for pricing or go to the Travel Club page on our website and click the Myrtle Beach flyer.

Includes:

Motorcoach transportation, hotel stay, some meals, visit to Barefoot Landing, visit to Broadway at the Beach, horse drawn carriage tour, and much more!



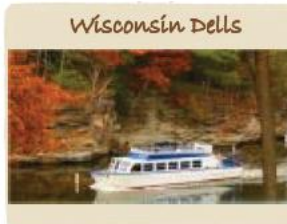
Tunica & Memphis

June 13 - 17, 2011

\$375.00 PER PERSON Price based on double occupancy.

Includes:

Motorcoach transportation, 4-nights lodging, 8 meals, Graceland admission, Tunica Museum admission, Guided tour of Memphis and much more!



Wisconsin Dells

July 25 - 29, 2011

Call for pricing or go to the Travel Club page on our website and click the Wisconsin Dells flyer.

Includes:

Motorcoach transportation, lodging, some meals, Upper Dells Boat Tour, tons of shows and much more!

The F & M Travel Club is not exclusively for FMB customers. Interested travelers that wish to take a journey with us are more than welcome. If you wish to be on our monthly mailing list that describes what trips are upcoming, you will need to have a deposit account with FMB. For further information please contact Joyce Janes at 1-800-382-0049 or jjanes@fmb4banking.com.

Cookies

Featured Recipe

Goopy Butter Cookies

By: Michelle Pickens

8 oz. cream cheese

1/4 tsp. vanilla extract

1/2 c. butter, softened

1 pkg. yellow cake mix

1 egg

1/4 c. powdered sugar

Preheat oven to 350°. In medium bowl, cream together the cream cheese and butter. Stir in the egg and vanilla. Add cake mix and stir together. Roll into 1 inch balls and roll in powdered sugar. Place 1 inch apart onto an ungreased cookie sheet. Bake for 10 to 13 minutes.



FMB

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Go to www.fmb4banking.com to see each month's featured recipe. All recipes are from the employees of FMB and can be found in the FMB Favorites Cookbook. Cookbooks are \$9 each and can be purchased at any Farmers & Merchants Bank location.