



Prepare your college student on the correct uses of credit cards with the help of FMB!

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- MoneyPass

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Farmers & Merchants Bank
FINANCIAL

focus

FALL 2010



MONEY PASS
More to Enjoy.
Less to Pay.



College Students & Credit Cards: Helpful Advice

As the nation's college students head back to school, and with a growing number of them planning to use credit cards during the school year, Farmers and Merchants Bank would like to encourage students to be responsible when using their credit cards so they can maintain their finances and establish solid credit.

The fact is that no one may ever need to see your transcript after you leave school, but your credit report will be with you for the rest of your life. We want to be sure that students learn how to use consumer credit wisely so that they establish good credit and build a foundation that will serve them well when they are ready to buy a car or a home or pursue their dreams of owning a business.

New Credit Card Rules

New rules governing credit cards aimed specifically at protecting students went into effect in February 2010. Credit card companies are now prohibited from issuing cards to anyone under the age of 18, and those under 21 need either an adult co-signer or proof of income. Educational institutions must disclose any agreements they have with credit card companies that market to students, and credit card companies may no longer entice students with free gifts. All other provisions in the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act that cover consumers - such as advance notice of changes, more time to make payments and

terms that are easier to understand - apply to students as well.

But even with these safeguards, the best protection against getting deeply in debt is knowing the pitfalls and how to avoid them. Farmers and Merchants Bank offers the following tips to help students use credit cards wisely:

- ✓ Set up & follow a budget that includes paying off a credit card balance.
- ✓ Pay on time & pay more than the minimum due.
- ✓ Keep your account information confidential.
- ✓ Don't lend your card to anyone, ever.
- ✓ Never give out your information over the phone unless you initiated the call & know who you're dealing with.
- ✓ Elect to receive your information online. Many sites offer an alert for unusual transactions & reminders of when your bill is due.
- ✓ Have them auto debit your account or make your payment online to ensure they receive it on time.
- ✓ Check your statements for accuracy.
- ✓ Keep a copy of your sales receipts to compare to your statements.
- ✓ When making online transactions, make sure it is a secure site.
- ✓ If you move, notify your card issuer immediately.



Get More Information...

If students want to learn more about credit cards and how to manage their credit, Farmers and Merchants Bank can help. Just stop by any FMB location or call 1-800-382-0049. ■

Our Master Money Debit card has no fees when used at our bank locations or at any MoneyPass® ATM location. The MoneyPass® network offers coast to coast access to thousands of surcharge free ATMs located where you live, work and travel.

Use the easy online locator at <http://www.moneypass.com> to help you find the MoneyPass® ATM closest to you and avoid paying surcharges.

NEW - MoneyPass® now offers a new ATM locator application for the Apple iPhone. This new application is offered at no cost to iPhone users and can be downloaded at the iPhone App Store.

Did You Know?

You're entitled to a free Credit Report!

Under federal law, you are entitled to a free credit report from each of the three national credit reporting companies each year. To get started, select a date on the calendar. Go to your computer and log on to

www.annualcreditreport.com.

Be sure to order your report from this website. Other sites will charge you a fee. Using the date you select, you will be able to receive another free report each year by logging on and requesting your credit report. You may also call 877.322.8228 to request the form.

While you're checking on your credit report, you will also have an opportunity to check your credit score. This report will cost you a nominal fee, but it is important to know your score. Each year on your selected date, you will be able to order your free credit report and purchase a copy of your credit score.

If you find something on your credit report that isn't correct, call the credit report companies immediately.

Equifax

800-525-6285

P.O. Box 740250

Atlanta, GA 30374

www.equifax.com

Experian

888-397-3742

P.O. Box 1017

Allen, TX 75013

www.experian.com

TransUnion

800-680-7289

P.O. Box 6790

Fullerton, CA 92634

www.transunion.com



Improve Your Credit Score

You deserve a fresh start.

Many Americans are feeling trapped in the current economic climate, facing foreclosure on their homes and living on credit cards to make it from month to month. Now, more than ever, it is important to maintain a high credit score and know what is in your personal credit report.

How is your credit score calculated?

According to one financial planning expert, your credit score is calculated using this formula:

- 10% is based on the types of credit in use, including the number of accounts and the mix of those accounts.
- 35% is based on your payment history. Do you pay your bills on time? Do you have any bankruptcies, judgment liens or foreclosures on your record?
- 30% is based on the amounts owed on available credit cards and installment loans.
- 15% is based on the length of your credit history.
- 10% is based on the number of new credit accounts opened recently.

How can you improve your credit score:

- Pay your bills on time. If you find it difficult to make time to pay your bills, consider setting up an automatic bill pay through your bank.
- Be sure you don't have too much credit. Too many credit cards and installment accounts can negatively affect your credit score.
- Don't max out your credit cards and keep balances on your credit cards low.
- Don't open a lot of credit cards you don't need.
- Pay down those credit cards with the highest interest rates first.
- Carefully review your credit report and correct any errors immediately.

New Rules for Credit Cards

Consumers should be aware of new rules governing penalty fees and rate increases on personal credit cards that went into effect August 22, 2010.

These new rules are meant to protect consumers, but the best protection is to be well-informed. Farmers and Merchants Bank wants our customers to have the information they need to manage their credit wisely and to make sound financial decisions.

Beginning August 22nd, your credit card provider may only charge reasonable penalty fees, such as:

- A late penalty fee of more than \$25, unless:
 - one of your last six payments was late, in which case your fee may be up to \$35;
 - or
 - the costs incurred as a result of late payments justify a higher fee.
- A late payment fee that is greater than your minimum payment. For example, if your minimum payment is \$20, your late payment fee cannot be more than \$20.

■ More than one fee for a single event or transaction. For example, you cannot be charged more than one fee for a single late payment.

■ Inactivity fees, such as fees for not using your card.

According to the new rules on rate increases, if your credit card provider raises your Annual Percentage Rate (APR), it must tell you why. It must re-evaluate that rate increase every 6 months and it must reduce your rate within 45 days after completing the evaluation, if appropriate.

If you have any questions about how the new rules will affect you, contact Farmers and Merchants Bank at 1-800-382-0049.





Be Smart When Buying

Buying or refinancing a home is one of the most important and complex financial decisions facing consumers, and it is also a breeding ground for predatory lending and loan fraud. It is important to be a smart consumer.

Misinformed homebuyers, often first-time purchasers or seniors, are ripe targets to become victims. But, there are checkpoints to help avoid the pitfalls and losses that

they can bring.

Interview several real estate professionals and ask for and check their references before selecting an agent to help buy or sell a home. Check prices of other homes in the neighborhood. Hire a licensed home inspector to carefully inspect the property before becoming obligated to buy. Determine who will be responsible for paying for repairs.

The U.S. Department of Housing and Urban Development (HUD), one of 24 federal agencies that make up a financial fraud task force known as STOPFRAUD.com, offers a list of DON'Ts to avoid being a victim of loan fraud:

- Don't make a false statement on a loan application, such as overstating income, the source of the down payment or failing to disclose the nature and amount of debt.

- Don't let anyone convince you to borrow more money than you know you can afford to repay. If you get behind in your payments, you risk losing your house and all of the money you put into your property. In addition to the principle and interest, be sure you can afford the taxes and insurance. You also may want to check the average monthly utilities over the past year.

- Don't sign a blank document or a document containing blanks. If information is inserted by someone else after you have signed, you may still be bound to the terms of the contract. Insert "N/A" (not applicable) or cross through any blanks.

- Don't sign anything you don't understand. Read everything carefully and ask questions. Before signing, have the contract reviewed by an attorney skilled in real estate law, consult with a trusted real estate professional or ask for help from a housing counselor with a HUD-approved agency.

- And, shop for a lender and compare costs. Be suspicious if anyone tries to steer you to just one lender.

Consumer Tips - July 2010

Missouri Independent Bankers Association

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!



Things To Look For On Mortgage Scams

Farmers and Merchants Bank would like customers to know how to protect themselves against fraudulent offers of foreclosure and refinancing assistance. The best protection is good information.

First, if you are having financial troubles, you should contact your mortgage lender immediately. By taking the direct approach, you will be less likely to be taken in by those pitches offered by way of unsolicited phone calls, e-mails or letters that appeal to your worst fears.

Consumers should be wary of any company that does the following:

1. Guarantees to stop the foreclosure process - no matter what your circumstances.
2. Instructs you to not contact your lender, lawyer or credit or housing counselor.
3. Collect a fee before providing you with any services.
4. Accepts payment only by cashier's check or wire transfer.
5. Encourages you to lease your home so you can buy it back over time.
6. Tells you to make your mortgage payments directly to them, rather to your lender.
7. Tells you to transfer your property deed or title to them.
8. Offers to buy your house for cash at a fixed price that is not set by the housing market at the time of sale.
9. Offers to fill out paperwork for you.
10. Pressures you to sign paperwork you haven't had a chance to read thoroughly or that you don't understand.

If you think you have been the victim of a loan scam, you should contact your state attorney general's office to file a complaint and learn the next steps to repair any damage incurred as a result of the scam.



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:

- Welcome Sara Weirich to the Teller staff at the Main Bank location.
- The Main Bank is under construction. Please excuse our mess while we make some much-needed changes to our location.

Plaza Bank

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

Branch News:

- Kari Lackey and Lynn Richards have been recently hired as Tellers at the Plaza location.

Lonedell Bank

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

Branch News:

- Cindi Wright is now a member of the Lonedell Teller staff. Cindi transferred from FMB St. Clair.

High Ridge Bank

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

Branch News:

- Relay for Life was Aug 6th at Northwest High School in Cedar Hill. The High Ridge team raised \$1500.00 for the American Cancer Society.

Eureka Bank

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

Branch News:

- Terry Williams is now a full-time Teller at the Eureka location. Terry transferred from the FMB High Ridge Location.
- Eureka recently had their annual Wildcat Warm-Up. Go to www.fmb4banking.com and click the Eureka location's community event page to see the pictures of the event. It was a complete success!

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!

Niagara Falls & Toronto



Niagara Falls & Toronto

Sept. 26 - Oct. 2

\$585.00 per person based on double occupancy

Includes:

Motorcoach Transportation, 6 Nights Lodging, 10 meals, Casino Trip, Maid of the Mist tour, and much more!

DOYLE LAWSON & QUICKSILVER



Doyle Lawson & Quicksilver

Oct. 30th

\$49.50 per person

Includes:

Motorcoach Transportation, Gospel Show at the Meramec Music Theatre, dinner, dessert and drink.

San Antonio, TX



San Antonio, TX

Nov. 14 - 20th

\$569.00 per person based on double occupancy

Includes:

Motorcoach Transportation, 6 Nights Lodging, 10 meals, Guided Ranch Tour, Visit to Missions, Visit the Alamo & see an IMAX presentation.

Customer Appreciation Dinner



Customer Appreciation Dinner

Nov. 30th at the Holy Trinity Lutheran Christian Life Center
1500 South Outer Road - St. Clair, MO

\$10.00 per person

Details:

Doors open at 5:30 with hors d'oeuvres, Dinner at 6:15, Dean Christopher & the Rat Pack at 7:30. Reservations and deposit due by November 15th.

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.

Entree

Featured Recipe

Pasta Con Broccoli By Linda Jager

16 oz. medium shell pasta	2-3 cloves fresh garlic, crushed
1 bunch fresh broccoli	1/2 tsp. black pepper
1 pt. Half & Half	1 tsp. salt
8 oz. tomato sauce	2 c. fresh sliced mushrooms
4 T. butter	3 c. shredded Parmesan cheese

Boil pasta until tender. Drain. Chop broccoli into bite-sized pieces and place in a saucepan with a small amount of water and cook covered until almost done. Do not overcook, but keep warm while everything else finishes. In a small saucepan, mix together the Half & Half, tomato sauce, butter, garlic, pepper and salt. Bring to boil, then reduce heat and add mushrooms. Cook for about 4-5 minutes until mushrooms are tender. In large saucepan under low heat mix pasta and Half & Half mixture. Toss lightly then gradually add in the Parmesan cheese and stir until all is melted and coated. Makes 6-8 servings.



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 \$13 each and can be purchased at any Farmers & Merchants Bank location.

FMB

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