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 Storm Lake, IA 50588
 Permit #111

Building a credit history

Building a solid credit history is very important. How do you do it? Start by getting and using a credit card wisely. A good credit history will help you get a lower rate for a car loan and eventually a home loan. Those with good credit pay less for loans.

The three most common mistakes to make with your credit history.

Not using a credit card wisely. Controlling when you use a credit card and when you pay cash are the keys to good money management.

Being disorganized about paying your bills. Frequently or regularly paying your bills late will quickly damage your credit score. Setting up automatic payments from your checking account for your cell phone bill and other monthly bills can make paying on time easier.

Paying only the minimum payment on your credit cards. You do NOT have to carry a balance on a credit card to build a credit history. Paying the full balance on time will build a good history. Unexpected expenses do happen, and you may have to carry a small balance from time to time. But don't fall into the trap of paying only the minimum payment for an extended time. The longer you take to pay off your debt, the more it will cost you.



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citizensFNB.com

C.I.T.Y CLUB
 Citizens Investing in Their Youth

The 1ST NATIONAL BANK
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ONLINE BANKING

When it comes to managing your bank accounts, having information at your fingertips can help you make better financial decisions. With Online Banking from Citizens you can bank on your time! Below are some of the features you can expect with Online Banking.

- *View transaction history - see transactions as they are clearing your account
- *Check balances
- *Make loan payments
- *Upload or download your statements into Microsoft Money or Quicken
- *Alerts-set up email alerts to help you keep track of recent account activity
- *Transfer money between accounts
- *Pay bills
- *View check images
- *Receive notifications on balance information
- *Research checks, deposits, past statements and more!



Welcome - John Sign up for E-Statements today! It's FREE!
You Have Mail

Accounts / List List

Assets			
<< Account >>	Product/Nickname	Owner	Available Balance
	25304 6 Month CD	John Q Public	12,130.36
	25438 2 Year CD	John Q Public	18,131.16
	405588 Now Checking	John Q Public	363.79
	622993 Reg Savings	John Q Public	2,821.46
Total			33,446.77

Loans			
<< Account >>	Product/Nickname	Owner	Payoff As Of 01/27/2013
	15227 Auto Loan	John Q Public	15,615.76
	15322 Mortgage Loan	John Q Public	77,760.41
	15328 Home Equity	Mary Q Public	15,072.33
Total			108,448.50

To enroll in Online Banking, simply go to www.citizensFNB.com and click on the Personal Enrollment tab on the homepage.

this issue

Online Banking	P.1
Check Register Entries	P.2
Credit Reports & Credit Scores	P.3
Your Credit History	P.4

Future topics to be discussed:

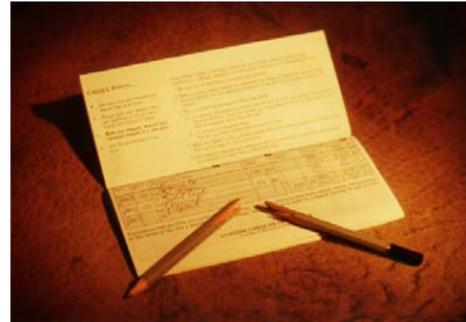
- \$ All new! citizensFNB.com
- \$ Should I be working?
- \$ Hungry? Food or money?

Checkbook Register

-tracking your Checking Account

Today, checks and debit card transactions are debited from a checking account very quickly. If you write a check and do not have the money in your account you “bounce” a check. The bank returns the check to you unpaid, and the bank will most likely charge you a fee. If this happens odds are you will have written several checks and you get a fee for each one. If you have a debit card on the account, it may be deactivated.

The bank gives you an organizer with your checks. Sometimes called a **check register**, this organizer gives you a place to keep track of the activity in your account. What are activities?



Write down in your register every time...

1. You deposit money in your checking account
2. You write a check
3. You use your debit card
4. You deduct a fee that the bank charges
5. You withdraw money from your account
6. You have earned interest from the \$ in your account

The trick is to keep up with it and not wait until later to fill it out. It is very easy to forget to write in the entries from the use of your debit card transactions. It may seem like a lot of work but you need the information to balance your account. “But I’ll just go online to look at my balance”, you say. It is easy to bank online but without your paper record you may not see errors in transactions. You can check your account balance online and think you have more money than you really have by forgetting transactions that have not been processed.

Check Number/Code: If you've written a check, put the check number here. Or use a transaction code: DC for Debit Card, ATM or a cash withdrawal, D for Deposit, and T for a transfer to your savings account, etc.

Date: Always record the date of anything you do.

Description of transaction: Make a quick note:

- City of Storm Lake-water bill (note for a check)
- John Doe-baby sitting (note for a deposit)
- Pizza -- Kate's birthday (note for ATM withdrawal)

Debits/Payments: Here you record the amounts of money going out of your account.

Credits/Deposits: Here you record the amounts of money coming into your account.

Balance: The amount of money you have after all transactions have been recorded.

Do the math

As you enter each item, date it. Then in the far right column, either add or subtract to reach a new total. Make yourself record information at the time you write the check, use the ATM, or make the deposit. Two days later, you won't remember what you did. Did you deposit the whole check or did you take some money out? You may lose the receipt for purchase and not remember the amount to record. Did I go the ATM both Friday and Saturday? Simply get into the habit of entering your transactions as they take place. Go ahead and practice entering some transactions!

Check Number	Date	Description of Transaction	Debits (-)		Credits (+)		Balance	
	2/5/13	Opening Balance					595	50
601	2/22/13	City of Storm Lake (water bill)	56	25			539	25
D	2/26/13	John Doe (baby sitting)			25	00	564	25
ATM	2/28/13	Pizza—Kate's birthday	20	00			544	25

Credit Reports & Credit Scores

Extremely important information!

Q: What is a credit report?

A: A credit report is a record of your credit history that includes information about:

Your identity. Your name, address, full or partial Social Security number, date of birth, and possibly employment information.

Your existing credit. Information about credit that you have, such as your credit card accounts, mortgages, car loans, and student loans. It may also include the terms of your credit, how much you owe your creditors, and your history of making payments.

Your public record. Information about any court judgments against you, any tax liens against your property, or whether you have filed for bankruptcy.

Inquiries about you. A list of companies or persons who recently requested a copy of your report.

Q: Why is a credit report so important?

A: Your credit report is important because lenders, insurers, employers, and others may obtain your credit report from credit bureaus to see how you manage financial responsibilities. For example:

Lenders may use your credit report information to decide whether you can get a loan and the terms you get for a loan (for example, the interest rate they will charge you).

Insurance companies may use the information to decide whether you can get insurance and to set the rates you will pay.

Employers may use your credit report, if you give them permission to do so, to decide whether to hire you.

Telephone and utility companies may use information in your credit report to decide whether to provide services to you.

Landlords may use the information to determine whether to rent an apartment to you.

Q: How long does negative information, such as late payments, stay on my credit report?

A: Generally, negative credit information stays on your credit report for seven years. If you have filed for personal bankruptcy, that fact stays on your report for ten years. Information about a lawsuit or an unpaid judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer. Information about criminal convictions may stay on your credit report indefinitely.

Understand how your credit score is determined.

Your credit score is usually based on the answers to these questions:

Do you pay your bills on time? The answer to this question is very important. If you have paid bills late, have had an account referred to a collection agency, or have ever declared bankruptcy, this history will show up in your credit report.

What is your outstanding debt? Many scoring models compare the amount of debt you have and your credit limits. If the amount you owe is close to your credit limit, it is likely to have a negative effect on your score.

How long is your credit history? A short credit history may have a negative effect on your score, but a short history can be offset by other factors, such as timely payments and low balances.

Have you applied for new credit recently? If you have applied for too many new accounts recently, that may negatively affect your score. However, if you request a copy of your own credit report, or if creditors are monitoring your account or looking at credit reports to make prescreened credit offers, these inquiries about your credit history are not counted as applications for credit.

How many and what types of credit accounts do you have? Many credit-scoring models consider the number and type of credit accounts you have. A mix of installment loans (i.e. car loan) and revolving credit (credit cards) may improve your score. However, too many finance company accounts or credit cards might hurt your score.



The higher your credit score the better your chances for getting a loan, paying a lower interest rate, and even getting a job. Remember that building a high credit score can take a long time, but your score can drop very quickly.