

OSSIAN STATE BANK

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Summer 2010 Newsletter

Your Credit Score: It Pays to Aim High

Having a good credit score is always important to consumers planning to apply for a loan or to get or keep a good deal on a credit card, but that's especially the case in an uncertain economy. When it comes to borrowing money, the higher your credit score, the more likely you are to get a loan or credit card with a low interest rate and low fees. But credit scores also can be used for other purposes, such as when you apply for a job, rent an apartment or obtain insurance. How can you improve your credit score and get a better deal, especially in a turbulent economy?

Review your credit reports for incomplete or erroneous information and get it corrected. Credit reports, produced by credit bureaus, detail each person's financial history (such as how you pay your bills or if you have filed for bankruptcy) and are used to develop credit scores. It's important to review your credit reports periodically — especially in the months before you make a major purchase, such as a new home or car — to make sure that inaccurate information hasn't lowered your credit score. By federal law, you are entitled to one free copy of your credit report every year from each of the three nationwide credit bureaus — Equifax, Experian and TransUnion. Go to www.AnnualCreditReport.com or call toll-free 1-877-322-8228 to order free credit reports. Experts suggest that consumers spread out their annual requests — for example, to get a credit report from a different agency every four months — to monitor big changes. Also, it's important to get reports from each agency because the information may differ.

Pay your bills on time. One or two late payments on your loans or other obligations over a long period of time may not significantly damage your credit record, but making a habit of this can count against you. Be especially careful with payments in the months before you apply for a loan. Your payment history is the largest percentage of your credit score, so make every effort to pay your bills on time. Having a mortgage, especially one that is paid on time, can be especially beneficial in improving a credit score or maintaining a good one.

Keep your debt levels low. The higher the ratio of your debt to your income or your available credit lines, the more you will be viewed by potential lenders as a higher-risk borrower. "Just because you have a \$20,000 limit on your credit card or home equity line of credit doesn't mean you can borrow that much money without it affecting your credit score," said Janet Kincaid, Chief of the FDIC's Consumer Response Center. She added that paying off your credit cards every month is one of the best strategies for keeping a good credit score and saving money on interest at the same time.

Source: FDIC Consumer News

Bill Pay Upgrade in July

Around July 22, you will notice a new look, along with many new features, on your OSB Bill Pay. We are excited about the benefits that this upgrade will offer our customers. Here are a few of the new features that you can take advantage of:

- Dashboard Workspace allows you to complete the common bill pay tasks without navigating to another page.
- Simplified on screen guidance to the help with various tasks.
- Person to person payments integrates features with Pay Pal to be able to securely pay anyone in the world.
- Track your spending activity by creating categories such as utilities, groceries, credit cards, gasoline, etc.
- SMS Alert Messaging allows you to receive important alerts via a mobile device.
- Order Bill Payment history on a CD for archival purposes.

If you are not currently enrolled in OSB Bill Pay, now it is the perfect time to take advantages of all of its conveniences!

Overdraft Changes are Coming

Ossian State Bank wants our valued customers to be fully informed and prepared to make a decision about Discretionary Overdraft Privilege that is right for you.

Due to changing Government Regulation, beginning on August 15, 2010, all **consumer** ATM or everyday debit card transactions will be rejected when you do not have enough money in your account to cover a transaction unless you tell us you want to Opt In to cover overdrafts.

If you Opt In there is no cost to you unless we pay an ATM or everyday debit card overdraft transaction. You can have peace of mind that you Opted In for the protection in case you ever need it.

Contact the bank at 260-622-4141 or visit www.ossianstatebank.com/overdraft_landing.htm to find out how you can Opt In for ATM and everyday debit card overdraft transactions or for information about other overdraft services offered.

INTEREST ONLY EQUITY LINES



ANOTHER GREAT IDEA TO SERVE YOUR NEEDS!

PROGRAM SUMMARY

- ✓ This open-ended line of credit can be used for any purpose, for example: home improvement, college tuition, new car, investing in a new business, etc. It's perfect for anyone with varying cash flows.
- ✓ Homeowners can borrow up to 80% of the value of their home. (Value x 80% less 1st mortgage balance.)
- ✓ Monthly payments are very flexible as the minimum payment due is only the accrued interest or finance charge.
- ✓ The rate is very attractive (Prime + a margin: 3.25% - 5.75%). Auto-pay required.
- ✓ Transfers can be made on-line, at any time, or you can write a check against the approved line of credit (\$150.00 minimum advance).
- ✓ The interest on equity lines is generally tax deductible if you itemize on your federal income taxes. (You should contact your accountant or tax professional.) Borrowers can also file for a mortgage exemption if they have no first mortgage to lower their real estate taxes.
- ✓ We have no monthly or annual fees as many lenders do. The upfront cost is low (approximately \$300 for credit report, appraisal, title search, flood certification, and mortgage recording).

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