



# At Heartland Bank Your Money Matters

>> WHERE BANKING FEELS GOOD

LOOKING FOR SECURITY IN 2006 AND BEYOND?

## Create a Financial Plan

By the time you've bought groceries, filled the gas tank and paid the bills, does it seem that your paycheck has evaporated? Maybe you think dreams of funding a college education for your children, enjoying a secure retirement or remodeling your home are just that – dreams.

A financial plan can help you overcome obstacles to a rosier fiscal picture and guide you along the path to the goals that are important to you.

### Live Within Your Means

Setting up a budget is the first, vital step to financial security. To create a realistic budget, list all your income. Then, figure out where your money goes. Tracking purchases made by credit or debit card or check is relatively easy; figuring out where cash goes is harder. It's helpful to write down each item you purchase and its cost for an entire month. But, when you put together an annual budget, don't forget to include items you pay less frequently than every month, such as insurance premiums and taxes. Finally, look for areas where you can trim your spending.

### Get Ahead of the Game

To reach future financial goals, you need a consistent, disciplined savings plan. That means building it into your budget.

Having money set aside for both planned expenses (vacation costs, for example) and unplanned ones (such as car repairs) can help you avoid borrowing – and



paying interest – to cover those costs. Regularly setting aside money is also the best way to reach long-term goals such as higher education for the kids and retirement for you.

### Score an A+ in College Funding

College costs continue to rise. In the past 10 years, college tuition and fees have increased 38% after adjusting for inflation, according to The College Board. But paying for college is a goal you can reach with a disciplined approach. There are three keys:

- 1) Start investing when your child is young.
- 2) Invest regularly until your child is ready for college.

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## President's MESSAGE

Welcome to the premier issue of Heartland Bank's *Money Matters!* At Heartland, we believe it's important that we help inform you on some of the latest financial issues – because your *Money Matters!* We hope you will find in this quarterly publication information that will help you in your personal and business life. At Heartland Bank, we think of our customers as family. Our goal is to help guide you to greater success through our relationship and interaction.

We are excited to introduce our dynamic Heartland Rewards program. Heartland Rewards members receive many exclusive benefits, including discounts on bank services, Identity Theft Resolution Services, and "Bill Pay That Pays You!"<sup>®</sup> Be sure to see our article in this issue of *Money Matters!* Whether it's Heartland Rewards Travel or having the opportunity to take advantage of one of the monthly specials, you will find that banking has never been so rewarding.

We have built Heartland Bank on the tradition of service. We are constantly seeking new ways in which to serve you better. Please feel free to tell me how we are doing and how we can be of service. We know you value a personal connection with your bank and this is a connection that we will never take for granted.

Thank you for banking with Heartland Bank and have a great summer!



Best personal regards,  
Tiney M. McComb  
Chairman, President & CEO



Member FDIC

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# Announcing... Heartland Rewards

Are you a Heartland Rewards member? If not, sign up today! As a Heartland Rewards member, you receive many exclusive benefits, including Identity Theft Resolution Services, Bill Pay That Pays You!®, discounts on loans, bonus rates on certificates of deposit, free office services, and participation in financial planning seminars. Sign up online at [www.heartlandbank.com](http://www.heartlandbank.com) or stop in your nearest Heartland Bank office today!

## Attention Heartland Rewards Members – Travel Now Added!

### OCTOBER 2006

#### “Old Kentucky Home” Keeneland-Lexington! Experience Kentucky!

Includes:

- > Chartered Motorcoach and one night stay in the Lexington Area
- > Visit to Old Kentucky Chocolates (makers of fine candy for over 40 years)
- > Visit the Mary Todd Lincoln House (childhood home of the wife of Abe Lincoln)
- > Tour of a Kentucky Horse Farm
- > Admission to Keeneland Race Track

**Date:** October 11<sup>th</sup>-12<sup>th</sup>

**Cost:** \$475 per person (based on double occupancy).

### FEBRUARY 2007

#### Winter Caribbean Cruise: 7-Day Cruise Aboard Royal Caribbean *Voyager of the Seas!*

Get out of town for some sun, surf and sand! Includes:

- > Meals and entertainment at sea
- > Outside stateroom on board with balcony
- > Airline ticket (optional)
- > “On Board” credit for the spa, shopping or shore excursions

**Date:** February 3<sup>rd</sup>-10<sup>th</sup>

**Cost:** \$1,925 per person (based on double occupancy, includes airfare); \$1,610 per person (based on double occupancy, without airfare).

### MARCH 2007

#### Las Vegas, Golf & Entertainment!

Jet away for a long weekend! Roll the dice, play some golf and enjoy the entertainment thrills of Las Vegas!

Includes:

- > Jet flights from Columbus
- > Three night hotel stay
- > Two 18 hole rounds of golf including cart and transportation to golf venues

**Date:** Second weekend in March

**Cost:** Trip cost forthcoming (Golf, sightseeing and other entertainment options are available.)

Call Donna Holycross at (614) 337-4600 or toll-free at (800) 697-0049 to reserve your spot today!



## Product Spotlight on Health Savings Accounts

You’ve probably heard about the dramatic growth of Health Savings Accounts (HSAs). Maybe you just haven’t had time to research all of the details of how the accounts work, who is eligible and so on. After all, it’s important to make the right decisions when it comes to your health care and how you will pay if a need ever arises.

The Health Savings Account is a tax-exempt trust or custodial account to which tax-deductible contributions may be made. The contributed money may be used to pay qualified medical expenses of an eligible individual. The earnings grow tax-deferred, and distributions for qualified medical expenses are tax-free. Distributions from HSAs for anything other than qualified medical expenses are taxable and subject to a 10% penalty if you are under age 65.

You are eligible to make or receive a Health Savings Account regular contribution, if you:

- ✓ Are covered by a high deductible plan
- ✓ Are not covered by any other plan offering the same coverage as the high deductible plan
- ✓ Are not enrolled in Medicare
- ✓ Cannot be claimed as a dependent on another person’s tax return

The money in your Health Savings Account is your own. You decide whether to spend from the account for your medical expenses and how much to spend, or whether to spend out-of-pocket and save the HSA money for the future. (The IRS provides a list of allowable expenditures from your Health Savings Account.) Since it is your money, it goes with you when you change jobs.

Heartland Bank can set up your Health Savings Account. Our friendly staff is also available to answer any questions you may have in regard to HSAs. Or log on to [www.heartlandbank.com](http://www.heartlandbank.com) for more details. Don’t delay; get started today and take advantage of the tax-saving opportunities.

*The contributed money may be used to pay qualified medical expenses of an eligible individual.*



# ID THEFT: Where the Real Risks Lie

WE HAVE MET THE ENEMY, AND HE IS US. – WALT KELLY

Identity theft is one of the hottest scams around, but the real risks are closer to home than you might think. According to Javelin Strategy & Research, 15% of identity theft cases are perpetrated by people known to the victim. They take more than strangers, too, averaging the highest fraud amount (\$11,411).\*

Your best protection against identity theft? Don't share your Social Security or account numbers, shred sensitive documents you no longer need and keep an eye on your wallet. As a Heartland Rewards member, Identity Theft Resolution Services is a part of your membership! If your identity is compromised, a personal advocate will work with you one-on-one, from first call to crisis resolution. If you're not a Heartland Rewards member, sign up today! You can sign up online at [www.heartlandbank.com](http://www.heartlandbank.com) or visit your nearest Heartland Bank office.

\* Source: "2006 Identity Fraud Survey Report," Javelin Strategy & Research, based on reports from individuals who knew their information was accessed.



## Sources of ID theft over which you may have some control include:

- 30%** Lost or stolen wallet, checkbook or credit card
- 15%** Friends, acquaintances, relatives or in-home employees
- 8%** Stolen paper mail or fraudulent change of address
- 5%** Computer viruses, spyware or hackers
- 3%** Phishing
- 1%** Garbage

Of the remainder, **28%** of cases result from fraudulent business transactions (misused or stolen data and corrupt business employees), with the balance from "miscellaneous sources" and "other."

## Create a Financial Plan...

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- 3) Use a tax-advantaged investment vehicle, such as an education savings account from Heartland Bank.

### Plan for a Secure Retirement

As life spans increase and medical costs rise, funding a comfortable retirement becomes a bigger challenge for most people. Fortunately, when you open or contribute to an individual retirement account (IRA), your money has an opportunity to grow faster than it would in a taxable account earning the same return. This gives you an edge in building your retirement fund.

### Use Your Equity for Home Improvements

Many families find that, after a few years, a home that once was a perfect fit would now be more comfortable if it was let out at the seams. Borrowing against your equity, or the difference between



the current market value and what you owe on the mortgage and other liens, is a money-smart way to update your home.

### Put Your Life in Balance

Heartland Bank offers many services from professional financial counselors. Call or visit your nearest Heartland Bank office today!

## Snippets on SUMMERTIME

The U.S. enjoys an average of 48 pints of ice cream per person, per year – more than any other country.

July and August are the top months for ice cream consumption.

The world's largest concrete municipal swimming pool, or "Big Dipper," can be found in Garden City, Kansas. The pool matches a football field in size and holds about 2.6 million gallons of water.

Sunscreen was invented in 1936 by the founder of L'Oreal, chemist Eugene Schueller.

Salmonella infection is more common in summer than winter. Take care with food preparation to prevent this nasty ailment, which strikes more than 40,000 people each year.

Sources: [IceCream.com](http://IceCream.com), International Dairy Foods Association, Kansas National Education Association, [FoodReference.com](http://FoodReference.com), Centers for Disease Control and Prevention, [About.com](http://About.com).



REFINANCE TO A FIXED RATE

# DisARM Interest Rate Volatility

Interest rates have been rising; in June, the Federal Reserve raised rates for the 12th time since February 2005. If you have an adjustable-rate mortgage (ARM), you might be in for sticker shock when your initial fixed-rate period ends or your annual rate adjustment comes around.

ARMs remain a good choice for many people, such as those who plan to move within a few years or those whose budgets can accommodate higher payments. But you may want to refinance to a fixed-rate mortgage if you plan to stay put for many years and don't want to be squeezed by rising rates. Since interest rates have gone up and may continue to rise, the security of a fixed-rate mortgage may hold more appeal. It's easier to budget when you know that your principal and interest payment will remain the same for the life of the loan.

With the variety of fixed-rate mortgage options available at Heartland Bank, you may even be able to lower your monthly payment or shorten the term of your loan.

## How to Decide

When weighing whether to refinance from an adjustable-rate to a fixed-rate mortgage, consider:

- > how long you plan to stay in the home
- > current rates on your ARM and on fixed-rate mortgages
- > when and how much the payment on your ARM may rise (rate increases are typically capped per adjustment period and over the life of the loan)
- > refinancing costs
- > any prepayment penalties

## We Can Help

Our home loan experts can help you "run the numbers" to decide whether refinancing is the right option for you. If you conclude that it is, they'll also help you choose a mortgage that fits your budget and your plans for the future. Call or stop by your nearest branch today.



Westerville	(614) 839-2265
West Columbus	(614) 351-2100
Reynoldsburg	(614) 416-0400
N. Stygler Rd	(614) 475-7024
Newark	(740) 349-7888
Johnstown	(740) 967-6500
Grove City	(614) 875-1884
Gahanna	(614) 337-4605
Dublin	(614) 798-8818
Croton	(740) 893-2191
Capitol Square	(614) 416-0244

[www.heartlandbank.com](http://www.heartlandbank.com)

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