

# Newsletter

Fall 2019  
Volume 24

## Financial mistakes Americans don't want to talk about

According to a survey conducted by TD Ameritrade, three-quarters of people admitted to having made a misstep when managing their finances. What did people consider their biggest financial mistake? Not investing in a 401(k). About 36 percent of people say they made mistakes based on a lack of financial education or knowledge – slightly fewer thought it was impolite to discuss finances in social situations. Recently, President Trump has been touting the benefits a booming stock market has had on Americans' 401(k) accounts. The number of so-called 401(k) millionaires reached 180,000 in the first quarter of 2019, according to Fidelity. That's a 35 percent quarter over quar-

ter increase. Meanwhile, the Trump administration moved recently to give more Americans access to retirement plans through their employers. The government issued a new rule that would make it easier for small businesses to band together to offer plans to employees. According to the White House, 38 million Americans in the private sector do not have access to retirement plans through their employers. Workplace plans are a critical way many people can bolster their savings.

The second biggest mistake respondents copped to having made was not having an emergency fund. According to a recent survey from Bankrate.com, about 28 percent of U.S. adults have no emergency savings. In addition to their financial mistakes, Americans were also uncomfortable discussing student loan debt, childcare expenses and living paycheck to paycheck.

## Data breach: How to protect yourself

Consumers can take the following steps if they fear their financial data has been compromised or to proactively guard their credit.

### 1. For best protection, freeze your credit

A credit freeze makes it unlikely your stolen financial information can be used to open new accounts in your name. Most creditors check your credit history as part of the application process — with a freeze in place, they can't access your credit history and will decline to open a new account. Freezing your credit doesn't affect your score. And when you want to open up a new credit line, you can simply "thaw" your credit temporarily. Freezing and unfreezing your credit at each of the three credit bureaus — Equifax, Experian and TransUnion — is now free to all consumers.

### 3. Check all 3 credit reports

You're entitled to at least one free credit report from each credit bureau every 12 months via [annualcreditreport.com](http://annualcreditreport.com). If you've already accessed them within that time frame, you get another round of free reports once you've placed a fraud alert. In addition, the Equifax breach settlement will provide all U.S. consumers six extra free credit reports a year for seven years, starting in 2020.

Check over your reports for signs of trouble, especially:

- New accounts that you didn't open.
- Credit inquiries that don't match when you applied for credit.
- Balances that don't match your statements.

### 2. Place a fraud alert if you can't freeze right now

If you don't want to lock out creditors — perhaps you're in the middle of applying for a mortgage or car loan — you can instead add a fraud alert to your credit reports. This type of alert flags potential creditors that they should verify your identity before issuing new credit in your name. A fraud alert lasts for a year and is renewable. You need to contact only one of the three bureaus and ask for the alert; it will notify the others. For best protection, remember to freeze your credit at all three bureaus once you're done with your applications.

### 4. Watch your credit card activity

Freezing can stop new accounts from being opened in your name — but it can't prevent fraudulent charges on an existing account. Protect yourself in these ways:

- Look for charges you don't recognize and if something seems fishy, dig into it. There's often a phone number listed along with the merchant name for each transaction.
- Sign up for text or email alerts about credit transactions. Many credit card issuers let you set them for every charge, or just ones above a certain dollar amount.
- If you see a suspicious charge, call your issuer right away to dispute it. Most often, your liability is limited to only \$50.

## Banks Support Rural America

**U.S. BANKS MADE**



**\$186 BILLION**  
FARM LOANS  
That's almost half of all bank farm and ranch lending (as of December 2018)



**\$78 BILLION**  
SMALL & MICRO LOANS

**1,772 U.S. AGRICULTURAL BANKS MADE**



**\$108 BILLION**  
FARM LOANS  
(as of December 2018)



**5.3%**  
INCREASE IN AG LENDING  
(5.5 billion)



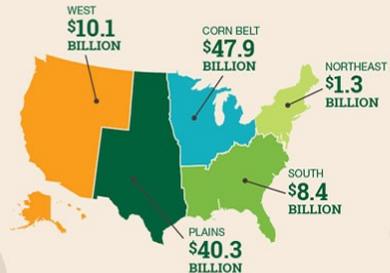
**OVER 86,000 AMERICANS**  
Employed by Ag Banks



**94%**  
PROFITABLE AG BANKS  
63% increased earnings



**SOLID PERFORMANCE**  
Continue to meet the needs of farmers and ranchers



WEST	\$10.1 BILLION
CORN BELT	\$47.9 BILLION
NORTHEAST	\$1.3 BILLION
SOUTH	\$8.4 BILLION
PLAINS	\$40.3 BILLION

**“No lender in our area works harder to assist the farming community as a whole than the ag banks.”**  
Dave Timmerman, Farmer Bennett, Iowa



# America's Housing Challenge

Affordable homes and rental properties are in high demand, but short supply. Too many consumers are spending far too much on rents, mortgages and utilities.



30%

Nearly 1/3 of American households devote more than 30 percent of their income to housing costs.



50%

Eleven million renters spend more than half their household budget on a place to call home.



2 Million

Two million seniors spend more than 50 percent of their income on rent during their "golden years."



37

For every 100 extremely low-income households, there are just 37 affordable rental units available.



\$192  
Per Square Foot

## New Housing Is Expensive

The rising price of new housing developments is one part of the problem. In 2017, Fannie Mae estimated the average cost of building a one to three story apartment to be \$192 per square foot, a 30% increase from 2013.

- This often translates into rents between \$1,500 and \$2,000 a month.
- Families need to earn between \$60k and \$80k per year to afford that, which is beyond the reach of low-to-moderate income consumers.

## Why the Squeeze?

- Experts, like the Federal Reserve, say this housing shortage is due in part to zoning and land use regulations that limit available space for development.
- As a result, fewer multi-family and low-income housing units are built.



LAND-USE  
REGULATIONS



## Banks Are Making a Difference

Banks understand that affordable housing requires more than making a loan. It takes **flexible capital and cooperative relationships** with consumer groups, nonprofits and government agencies to foster community development.

## To Help Meet These Housing Needs, Banks Work With:

- **Nonprofits and Community Development Financial Institutions (CDFIs)** to provide products with flexible underwriting standards and technical assistance.
- **State Housing Finance Agencies (HFAs)** to secure low interest rates, low down payment mortgages and closing cost assistance for low- and moderate-income buyers.
- The **Department of Housing and Urban Development (HUD)** to participate in their **Rental Assistance Demonstration (RAD)** program and **Home Investment Partnership Program (HOME)**.
- **Government Sponsored Enterprises (GSEs)** like **Fannie Mae, Freddie Mac and the Federal Home Loan Banks** to access funding for well-priced single family and multi-family loans and to participate in the **Affordable Housing Program (AHP)** and the **Community Investment Program (CIP)**.



**This type of collaboration between banks and housing-focused agencies helps many Americans in need find a place to call home in a challenging housing market.**

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601 Main St  
Jetmore, KS 67854

## Equifax Settlement: What financial reimbursements are you eligible for?

Equifax is paying up to \$425 million to help cover the costs incurred by nearly 147 million consumers as a result of the 2017 data breach. The money will reimburse individuals for everything from the time spent filing for credit freezes after the breach, to free monitoring services for the next 10 years. Federal officials, however, do not anticipate that all affected consumers will submit claims. Individuals will initially have six months to file for financial retribution but will be covered for four years in the event of identity theft occurred as a result of information stolen from the hack.

### Out-of-pocket cost incurred from the hack—up to \$20,000

Consumers can receive up to \$20,000 to cover any financial costs incurred as a result of the stolen information. Some documentation will be required, like receipts, but individuals will not have to prove that a particular identity theft was a result of the Equifax breach. The consumer will be required to show the types of information that was stolen and the date that the information was stolen that had occurred after the breach. Any identity theft that occurred that involved the same types of information that occurred after the breach will be reimbursable.

### Time spent addressing any impact of the hack—\$25 per hour, up to 20 hours

Individuals can also file for financial restitution for the time spent mitigating the fallout of the breach, including implementing a security freeze on

their account or ordering credit reports. They are eligible to receive \$25 per hour, up to 20 hours in total and some "reasonable documentation" will be required. Consumers can "self-certify" to the time spent and check a box to indicate the claim is truthful, but are only eligible for up to 10 hours of reimbursement in that instance. The time component is very significant for consumers, even consumers that have not necessarily suffered out-of-pocket losses, it can be a real burden and a hassle for consumers to unravel the identity theft, to call their financial institutions, to figure out what happened.

### Ten years of free credit monitoring or a cash payment

Equifax will provide 10 years of free credit monitoring to all consumers. The first four years will include reports from the top three bureaus -- Equifax, Experian and TransUnion -- and \$1 million in identity theft insurance. The monitoring, however, will be done through an independent, third-party firm, to be approved by the FTC, CFPB and other stakeholders in the lawsuits against Equifax. If individuals do not want credit monitoring from the settlement fund, they are entitled to up to \$125 cash payment to go to another firm. Equifax is also offering six free credit reports for seven years beginning in 2020, alongside the one free annual report that Equifax, Experian and TransUnion provide already. It's a way for consumers to try to protect themselves if they see anything on their report that gives them an indication that their information has been compromised.

For more information or to file a claim, go to: <https://www.equifaxbreachsettlement.com>