

Kinderhook State Bank

"Serving our community Since 1919"
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Newsletter



January 2006

2006 Legal

Holidays Observed

January 2nd -

New Years

January 16th -

Martin Luther King Jr. Day

February 20th -

Presidents' Day

May 29th -

Memorial Day

July 4th -

Independence Day

September 4th -

Labor Day

November 11th -

Veterans Day

November 23rd -

Thanksgiving

December 25th -

Christmas



**The only way to reach
your long-range goals
is through achieving
your short-range
objectives.**



HAPPY NEW YEAR!!



Shannon Kloker has recently joined the staff at Kinderhook State Bank. She has a Bachelor of Science in Business Administration from Illinois College and also has experience in loan servicing. She will be working as a loan assistant.

Shannon grew up in Franklin, IL but currently resides near Pittsfield with her husband Chris.

Shannon enjoys shopping, collecting Christmas items, and interior decorating her house. She is also very excited to meet new people at KSB.

We are very happy to welcome Shannon to our staff.



Santa visited the bank December 17th and was very happy to have kids of all ages come sit on his lap. Also the Kinderhook Park Committee had a great turnout with their bake sale. Kinderhook State Bank thanks everyone for making it such a special day.



Did you know?

~January~

2nd: 7-inch single records are manufactured in Montreal for the first time in 1900.

3rd: *Raindrops Keep Falling on My Head* by B.J. Thomas hits No. 1 on the Billboards in 1970.



5th: Pepe Le Pew debuted in his first cartoon in 1945.

11th: The first pineapples were planted in Hawaii in 1813.

12th: *Batman* premiered on ABC in 1966

13th: The comic strip *Mickey Mouse* debuted in American newspapers in 1930.

16th: The first James Bond film, *Dr. No*, opened in theaters in 1962.

22nd: Wilma Rudolph set a world record in the 60-yd dash in 1961.

26th: The world's largest diamond, 3,106 carats, discovered near Pretoria in 1905.

30th: Quebec's Joe Malone set an NHL record of 7 goals in one game in 1920.

For Your Information!

In less than 30 days, all cell phone numbers are being released to telemarketing companies and you may start to receive sale calls that you will be charged for.

To prevent this, call the following number from your cell phone: 888-382-1222. It is the National DO NOT CALL list. It will only take a minute of your time, and it will block your number for five (5) years.



Home-Buying Fees

With interest rate for mortgage at record lows, many people are jumping into the residential real estate market. If you are among the buyers and sellers, keep in mind the rules for deducting certain expenses. Homebuyers face two major sets of fees: closing costs and points. Closing are generally not deductible, but they add to the cost basis of the home, reducing the gain when the house is sold.

Points, on the other hand, may be fully deducted in the year they are paid, if:

- The loan is secured by your home
- The loan is purchased or improvement of the primary home
- The points are for the use of money (not a service charge)

If the purpose of the loan is not to acquire or improve your principal residence, but the other two conditions are met, you can still deduct the points in monthly increments over the life of the loan. If the mortgage ends early because of prepayment or refinancing, you may deduct the remaining, or unamortized, points at that time.

When refinancing, points paid on loan to improve the principal residence may be deducted immediately. If you are refinancing to improve your interest rate, the points are deductible over the life of the loan. Points paid by the seller are also deductible by the buyer.

Home Equity Loans

Interest paid on home equity loans and lines of credit is generally deductible, and the loans may be used for any purpose—such as paying off consumer loans. The loan must be for an amount equal to, or less than, the equity in your home up to the maximum of \$100,000. Remember, these loans are secured by your home, so you could lose the home if you default.



Don't Forget Fraud Protection— Sign Cards

According to Master Card, some cardholders are presenting merchants with cards containing information other than the cardholder's signature (such as, "See ID" or similar language) on the signature panel. Such cardholders have the mistaken belief that directing the merchant to check personal identification protects them against the user of a lost or stolen card by a fraudster.

This is not the case. In fact, by not signing the card, the cardholder forfeits the fraud protection provided by the tamper-resistant signature panel, since the merchant cannot compare the signature of the authorized cardholder as it appears on the card to the signature of the person signing the transaction receipt.

Lack of a signature also renders the card invalid. Merchants may still choose to accept unsigned by following acceptable procedures that reduce the risk of fraud. However, this sometimes causes delays, cardholder confusion, or resentment, as a result negatively impacting the card association brand and creating customer service issues for the merchant.

Card Signature Requirements

A card is not valid unless signed by the authorized cardholder. Upon issuance or re-issuance of a card, the card issuer must include a written notice to the cardholder to sign the card immediately when received and before initial use. The card issuer must state this as a condition of card use.

The name signed on the card back must match the cardholder name appearing on the card front. The cardholder name on the card front and the name signed by the cardholder match if the name expressed in both is the same, regardless of the language used by the cardholder to sign his or her name.

By signing the card, the cardholder provides a means for the merchant to verify the cardholder's identity. Merchants must compare the signature on the back of the card with the signature

on the receipt before completing the sale. If an unsigned card is lost or stolen, a fraudster can sign the card with a signature that matches the name on the card front. The fraudster's signature on the receipt will then match the signature on the card.

If the card presented to the merchant is not signed, the merchant must:

1. Obtain an authorization from the card issuer.
2. Ask the cardholder to provide identification (but not record the cardholder identification information).
3. Require the cardholder to sign the card.

The merchant must not complete the transaction if the cardholder refuses to sign the card. Therefore, the cardholder gains nothing by not signing the card or writing in "See ID" on the signature panel. Rather, the merchant is placed in the uncomfortable position of having to inform the cardholder that the merchant will not honor the card.

There are a number of ways the cardholder can protect against fraudulent use of the card:

- Activate and sign the card as soon as it is received.
- Immediately report the loss or theft of a card to the card issuer.
- Memorize the PIN. The cardholder should never carry the PIN with the card.
- When using a public computer to shop online, or when entering PIN information into an ATM or other device, observe others around you to avoid "shoulder surfers" seeking to steal information.
- Empty wallets or purses of receipts frequently, preferably at the end of each day.

