

Kinderhook State Bank

"Serving our community Since 1919"
www.kinderhookbank.com
Email: staff@kinderhookbank.com
217-432-8309

Newsletter



March 2006

2006 Legal

Holidays Observed

May 29th - Memorial Day

July 4th - Independence Day

September 4th - Labor Day

October 9th - Columbus Day

November 11th - Veterans Day

November 23rd - Thanksgiving

December 25th - Christmas



**~Self - Image ~
Do not wish to be
anything but
what you are,
and try to be that
perfectly.**

—St. Francis De Sales



The First Green of Spring!!



Reminder

If you have not sent us your new 911 address, please do so as soon as possible.

Important IRA Dates - 2006

* April 1, 2006 *

Last day for 2005 that you may choose to receive your first Required Minimum Distribution (*For Traditional IRA owners who reached are 70 1/2 during 2005.*)

* April 17, 2006 *

Federal Income Tax Filing Deadline

Last day to open or contribute money to your traditional and/or Roth IRAs for 2005

Community Banking Week

This year community banking week will be held April 2-8, 2006 and we are planning an exciting week. Refreshments will be served throughout the week. A list of times and events will be available at the bank.

Did you Know??



~March~

4th - Knute Rockne, football coach was born in 1888 and Ronald Reagan married Nancy Davis in 1952.

5th - Winston Churchill coined the term "Iron Curtain," in 1946.

13th - Pluto was discovered in 1930.

16th - The first fuel rocket was launched in 1926.

18th - President Eisenhower signed Hawaii statehood bill in 1959.

22nd - Niagra Falls slowed to a trickle due to a severe drought in 1903.

24th - U.S. spacecraft Ranger 9 landed on the moon in 1965.

25th - The U.S. issued a newly redesigned \$100 bill in 1996.

27th - The U.S. Navy was created by congress in 1794 and Alaska was rocked by an earthquake in 1964.

28th - The Pallas asteroid was discovered in 1802.

31st - Whitcomb Judson received a patent for the zipper in 1896.

Debit Card Holders

Here at Kinderhook State Bank we are encouraging cardholders to keep your contact information current to ensure that you can be reached if your card is found or if suspicious transactions are reported. The easiest and most efficient way to contact you is by phone. So if you have changed your phone number, please notify us with your new number.

Watch Out!

There have been several new scams in the mail and by phone. Please be very aware of anything out if the ordinary and do not give out any account information. Remember, your bank and your credit card companies already have your account numbers and will not be calling you to get them.

Also be wary of money orders and cashiers checks you may receive, as there seems to be a lot of fraudulent checks going around.

Your Mortgage: Pay It Off Or Play It Safe?

Is it wise to pay off your mortgage early? As with most financial decisions, this one depends on several factors including your current mortgage rate, tax bracket, balances on credit card and consumer debt, near-term expenses, retirement dates, and potential alternative investments.

Pay It Off?

Mortgage prepayment can certainly offer advantages. For example, you'll pay less interest in the long run. Let's say you have a 30-year fixed rate mortgage at 7% with a balance of \$180,000. By paying an extra \$75 per month toward the principal balance, you'll save about \$49,000 in interest and the mortgage will be paid off five years earlier. Generally, the longer the mortgage term and the higher the interest rate, the more savings you realize by prepaying. Also, because you're paying off a debt you already owe, the return on mortgage prepayment is risk-free. In addition, with a mortgage out of the way, cash will be available for other things. That's especially important for those heading in to retirement.

Play It Safe?

But prepaying your mortgage isn't always the best idea. Do you have large balances on credit cards or high-interest consumer loans? It's probably a good idea to use extra funds to pay off those debts first, before focusing on your mortgage. Non-mortgage debt generally carries a higher interest rate, and the interest isn't tax-deductible.

If your employer matches contributions to your 401(k) retirement account, be sure you're investing up to the matching limit before putting extra cash into your mortgage. Chances are you'll net a higher return on your retirement account than by mortgage prepayment.

Consider also whether you'll need those extra funds for near-term expenses. Money locked up in your home mortgage is much less liquid than in a savings account. It's harder to get

at for college tuition, medical bills, or emergencies. Of course, you can open a home equity line of credit or take out a home loan for such expenses, but that just increases your mortgage balance.

You may also consider putting that extra monthly payment into other types of investments. Over the long term the stock market has generated about 10% return. If you have a 6% mortgage and a long time horizon, you may be better advised to put those extra funds into a mutual fund.

For many people, prepaying a mortgage is a good idea. Just be sure you've considered all the relevant factors.

Shopping Strategies

Take advantage of every learning situation. Turn shopping trips into lessons on making choices about value and quality. As you shop, tell your kids what item you are looking for and how you decide which to buy. Your preschoolers won't understand everything but will pick up on your careful approach to shopping.

I Want It, I Want It!

If your preschoolers go to the store demanding everything in sight, set a limit in advance. Make it clear what specific items you are after (in other words, not toys for them). Allow your kids to pick out one item so they can spend time choosing which drink to buy or whether you should buy oranges or bananas, for example. Help them practice identifying coins and cash by providing them with money to make a small purchase and receive change from the cashier.

Make sure your kids aren't hungry, but take along a healthy snack just in case. If they beg for something or throw a fit in a store refuse to buy what they want. Otherwise, they'll learn that begging and misbehaving "work." When they behave well while shopping, reward them with hugs and words of praise.

Unicorn

A long time ago when the Earth was green,
There was more kinds of animals than
you've ever seen.
And they'd run around free while the world
was being born.
The loveliest of all was the Unicorn!

There was green alligators and long necked
geese,
Hump back camels and chimpanzees.
Cats and rats and elephants but sure as
you're born,
The loveliest of all was the Unicorn!

But the Lord seen some sinnin' and it
caused him pain.
He says, "Stand back, I'm gonna make it
rain.
So hey, Brother Noah, I'll tell you what to
do.
Go and build me a floating zoo."

"You'll take two alligators and a couple of
geese,
Two hump back camels and two chimpan-
zees.
Two cats, two rats, two elephants but as
sure as you're born,
Noah, don't you forget my unicorns!"

Well, Noah looked out through the drivin'
rain,
But the unicorns was hidin'-playin' silly
games.
They were kickin' and a-splashin' while the
rain was pourin',
Oh them foolish unicorns.

"So you take two alligators and a couple of
geese,
Two hump back camels and two chimpan-
zees.
Two cats, two rats, two elephants but as
sure as you're born,
Noah, don't you forget my unicorns."

And the ark started movin' and it drifted
with the tide,
And the unicorns looked up from the rock
and cried.
And the water came up and sort of floated
them away,
That's why you've never seen a unicorn to
this day.

You'll see a lot of alligators and a whole
mess of geese,
You'll see hump back camels and chimpan-
zees.
You'll see cats and rats and elephants but as
sure as you're born,
You're never gonna see no unicorn.

