As we begin the New Year, we hope you had a blessed Christmas season with friends and loved ones.

American Trust & Savings Bank has proudly served Cedar, Clinton and Jones counties since 1913. We are proud of the innovative ways we have continued to serve our customers and our ability to adapt to the changing needs of our marketplace. Our banking team has a wealth of experience, which allows us to be more flexible in structuring financial services for our customers.

If you are a customer, thank you for banking at American Trust. We work hard to surpass customer expectations. If you’re not a customer, stop by and experience the American Trust difference.

On behalf of the staff and directors, we offer you our best wishes for a prosperous New Year.

Guess the photo and you could win!

Can you guess where in Lowden this photo was taken? If so, submit your entry, including your name, address, phone and email address. Drop it by or send it to the bank at:

309 McKinley Avenue
PO Box 129
Lowden, IA  52255.

Correct entries will be entered in a drawing for four (4) $25 gift certificates to local merchants. Entries must be received by February 29, 2016.

This will be a quarterly contest, so watch our next newsletter for a new photo!

We have a winner!

Laurie Steinke correctly guessed that the photo from our fall newsletter was taken at 4th Street just west of Roosevelt Avenue in Lowden. Since Laurie was the only correct entry, she wins $100 in gift certificates for Lowden merchants.
In general there are two kinds of self-directed retirement plans: those that are tax-deferred and those that are after-tax.

**Tax-deferred retirement plan**

Individual Retirement Accounts (IRAs) allow you to reduce your taxable income by the amount of the deposits made each year. One of the advantages is your contribution reduces your income tax bill for the year. In addition, the interest you earn on the account is tax-deferred.

Tax-deferred retirement accounts may be best suited for people who anticipate their income tax rate will be lower after retirement than before retirement.

By law, you must start paying taxes on the funds you withdraw from the account. Withdrawals after age 59½ are taxed as ordinary income and are not subject to the 10 percent tax penalty imposed on early withdrawals (those taken before age 59½). For many people, withdrawals usually start April 1 of the year following the year in which they turn 70½ years old, which is when a "required minimum distribution" (RMD) must be taken.

**After-tax retirement plans**

Roth IRAs enable a consumer to make contributions using after-tax dollars. This means the consumer has already paid income taxes on the funds that will be used for the deposits or investments. One advantage is that, if certain conditions are met, you will not have to pay income tax on withdrawals, so your interest grows tax-free.

What could trigger income taxes on withdrawals? Common examples include the IRA owner taking distributions prior to age 59½ or a beneficiary not following Internal Revenue Service requirements for distributions after the account owner's death.

Another advantage of after-tax retirement plans is that there is no requirement that you have to take distributions when you reach 70½. That flexibility makes these plans good for estate-planning purposes because it's possible to build a large sum of money to leave to beneficiaries and heirs without them having to pay taxes on that money.

Roth IRAs make sense primarily for consumers who (a) expect that they will be in a higher tax bracket in retirement, so that it is more advantageous to be taxed on their contributions before they retire instead of on their withdrawals later, or (b) want to use these accounts for estate-planning purposes, meaning to leave funds directly to their children and other beneficiaries.

* Annual Percentage Yield effective as of the date of this publication and may change without notice. Fees may reduce earnings on the account.

American Trust lenders are prepared to help you analyze your 2016 farming business loan needs for capital expenditures, cash flow, and other farming necessities.

**Agricultural Term Loans**

Equipment financing, capital improvements, and breeding livestock purchases all qualify for term loans of one to five years.

**Agricultural Operating Lines of Credit**

Provides a funding source for short-term cash flow needs such as crop expenses.

**Agricultural Real Estate Loans**

Short- or long-term mortgage loans can help refinance your land contract, purchase additional land, or do some type of expansion in your present operation.

If you're not already a customer, give us a call – a second opinion never hurts.

(563) 941-5391
Fraud Against the Elderly: How You Can Spot and Prevent Financial Abuse

Each year millions of senior citizens are victimized by financial fraud or theft of money, property or valuable personal information. Often, an adult child or other relative is responsible. Other situations may involve trusted individuals such as caregivers, legal guardians, investment advisors or new “friends.” And because the types of abuse may differ widely, it’s important to take a variety of precautions. Here are suggestions for protecting yourself and your loved ones:

Choose an advisor carefully. If you’re considering hiring a new broker, attorney, accountant or other professional, even someone recommended by a friend or relative, it’s best to independently look into that person’s background and reputation before investing money or paying for services. For example, you can confirm that this person is properly registered or licensed and has a clean record with regulators and other consumers. When in doubt about how to research this information, ask your state Attorney General’s office or local consumer protection agency for guidance.

Make sure you not only understand the role an advisor will be playing, but trust that this individual will do what’s best for you and your finances. Don’t be afraid to ask questions or say no. After all, it’s your money!

Be careful with powers of attorney. At some point, you may want to have a power of attorney, a legal document that authorizes another person to transact business on your behalf. While powers of attorney can be very helpful, be careful who you name as your representative. Powers of attorney can be easily misused because they allow the appointed person to step into your shoes and do everything you can do, including taking money from your account and borrowing money in your name. This is a matter to discuss with a lawyer who should prepare or review the document for you.

Protect your personal financial information. Never give out your bank account numbers, Social Security numbers, PINs (personal identification numbers), passwords or other sensitive information unless you initiate the contact. These requests may come from an unsolicited phone caller, letter writer, e-mailer or a person who shows up at your door. Be especially wary of someone who congratulates you about winning a (bogus) prize or lottery but first demands payment for taxes or other fees.

Also, keep your checkbook, account statements, and other sensitive information in a safe place. And shred paper documents containing sensitive information that is no longer needed.

Closely monitor your credit card and bank account activity. Review your account statements as soon as you receive them and look for unauthorized or suspicious transactions, which should be reported to your bank immediately.

Take your time when deciding on a major financial decision or investment. Make sure you understand the transaction and ask questions if you don’t. If you need to, ask a lawyer or financial advisor to help you understand the documents and discuss what’s best for you.

Be aware of scams involving reverse mortgages. These loans enable homeowners age 62 or older to borrow money from the equity in their homes. However, reverse mortgages can be complex products with a variety of risks and costs, and there are many reports of schemes by unscrupulous individuals using deceptive offers and high-pressure tactics to steer senior citizens into using the funds from a reverse mortgage for inappropriate or costly loans or investments.
Have You Met?

Rich Crump is Executive Vice President and Chief Operating Officer at American Trust & Savings Bank. He joined the bank in 2008 and also serves as compliance officer, loan officer, trust officer and board secretary. Rich has been in banking industry since 1985 having worked at Citizens Savings Bank, Anamosa and The Exchange State Bank, Springville, Iowa prior to several years in marketing technology to banks. He also served as a bank consultant for several years prior to joining American Trust.

A native of Anamosa, Rich graduated from the University of Iowa with a BBA in Accounting. He and his wife Susan and step-children Derek, Ross and Maria enjoy supporting the University of Iowa sports teams. The Chicago Cubs and Green Bay Packers are also on his favorite sports team list.

Mark Your Calendar

If you would like us to publish upcoming community events, be sure to contact us at the bank. We’ll include it in our quarterly newsletter.

Cookie Day at American Trust

Friday, February 12, 2016
during banking hours
It’s our way of saying
“Thank you for your business!”

Fish Fry

Visit the Lowden American Legion on these dates for the All-You-Can-Eat Fish Fry:

Friday, January 8
Friday, March 4
Friday, April 1
Friday, May 6

Serving from 5:30 to 7:30 pm. Only $12 for adults and $5.50 for children 5 to 12. Carry-outs are available.

BEEF SUPPER

Saturday, February 6 at the Lowden American Legion

www.atsb-lowden.com

309 McKinley Ave., Lowden, IA • (563) 941-5391