



OUR NEIGHBOR CONNECTION NEWSLETTER

Holding true when it seems to be a hold-up!



*Perry Forst
President*

The customer was wearing a baseball cap low on his forehead, dark sunglasses, and a red bandana covered his entire face and neck. Only in the midst of the year 2020 would I find irony and amusement in someone dressed like that standing at the teller line in my bank lobby. I chimed in on his and Deb's banter and thanked him for making my day! I should have gotten a picture, not to turn over to the sheriff's department, but to capture another incident of how unconventional 2020 was.

There have been several other humorous moments during a year that wasn't very humorous. To maintain social distancing, we had customers come in the back door at times to meet in our conference room where we have a large table we disinfected after each meeting. A few joked while walking down the back hallway that they had been through the back door of places a lot more sketchy than the bank. Fortunately, the bank is recognized as a good member of the community because we also con-

ducted a steady stream of business with customers through the windows of their vehicles in the bank's back parking lot. People may have otherwise started to wonder about the exact nature of our great products and service!

This past year all businesses faced challenges and had discussions we could not have envisioned before the pandemic. No one could have really planned for the situation that was thrust upon us. However, the philosophies the bank has been committed to for many years served our customers and the bank well even under these new scenarios. Decisions implemented years ago allowed the bank to adapt and be flexible while staying true to the things that are most important and valuable to our customers.

Not every bank has held to the philosophy of having a full staff of quality bankers on hand to work with customers at the local level. We do not try to run the bank with just a skeleton crew on board. This allowed us to split the staff up into subgroups and still deliver quality service. We alternated groups working at the bank to reduce the chance of an illness spreading to the entire staff. We implemented this strategy to ensure we could maintain operations. Employees did not lose any pay even though some days they were not at the bank. Never would I have imagined we'd want to have good employees intentionally staying away from the bank!

While our customers value meeting with us in person, we did

have other avenues available when coming in the lobby was not possible or advisable. Long before the pandemic, we made investments in products that proved especially useful for conducting banking remotely, such as internet banking, apps for your mobile device, making a bank deposit with your phone, and cash from the ATM. Our bank management has no desire to be the absolute first to add some new product or force experimental change onto our customers. We carefully research and make investments that are of value to customers under varied circumstances.

Our customers tell us the philosophy and commitment we have developed works well for them, even in a year like 2020. At times, bank staff worked through the weekends and throughout the entire night to get Paycheck Protection Program loans approved. Our customers counted on us to go the extra mile. Other times, going the extra mile meant we met in customers' shops, on their farms and over the hoods of vehicles to make sure people got the services they needed and still stayed safe.

For some customers, 2020 was about survival, and for others it was about thriving as a result of new opportunities. For many, it was somewhere in between. While some situations remain challenging as we head into 2021, customers can count on Citizens State Bank to be a trusted partner they can rely on. That is who we are. That is what we do.

Proud Community Supporter

Citizens State Bank NYA is a proud community sponsor of these events:



2020 Holiday Extravaganza



Local Fire Dept and NYA West Carver Lions Toy Drive

Person to person. Neighbor to neighbor. Yesterday, today and tomorrow.
www.CitizensStateBankNYA.com

Pension Analysis



Matt Brakefield
Investment Representative

Merry Christmas and Happy New Year! 2021 has got to be better! I wish you all tremendous success and blessings in the year ahead.

Today's topic is something for everyone who has worked for an employer over a period of time to consider. It is extremely important for those who are considering retiring in the next 5 years or less. If your employer offers you a pension as part of your retirement pack-

age or will some day we need to talk.

Getting a variety of quotes on that pension can make a huge difference on when you retire. Some employers actually reduce your pension if you work past 60 or other ages. This information is not widely publicized. Most people only find out after they get quotes for different ages.

Another consideration is that your pension in most cases will never increase. This equals less buying power as the years go by. Often times if you take the lump sum and invest it you can put aside enough to cover the monthly amount needed and still have some left over for bigger expense.

It is also important to note that in a pension you can leave a monthly amount to one other person (if you reduce yours) but when you and that person are gone no matter how soon the money dies with you.

A big part of my job is to help you learn about all of the options in front of you both leading up to and during critical moments such as retiring. Call or email to set up a time to discuss this and any other financial topics on your mind. 952-467-3276 mattbrakefield@cambridgesecure.com



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Non-deposit investment products, insurance and investment advisory services are Not FDIC Insured, Not Bank Guaranteed, and May Lose Value. Not a Deposit and Not insured by any Government Agency.

THE BEST THING FOR BUSINESS

Discovering Citizens State Bank has been the best thing for our business. We had forgotten what it was like to work with a small town bank. They have all the services of a large bank, plus they value your business! The staff, especially Jason Winter, has been a pleasure to work with from the beginning. We couldn't be happier we made this transition!

Thanks for your great customer service Citizens State Bank! We look forward to expanding our business relationship with you!

Jim and Mary Monnens
Monnens Custom Builders Trucking

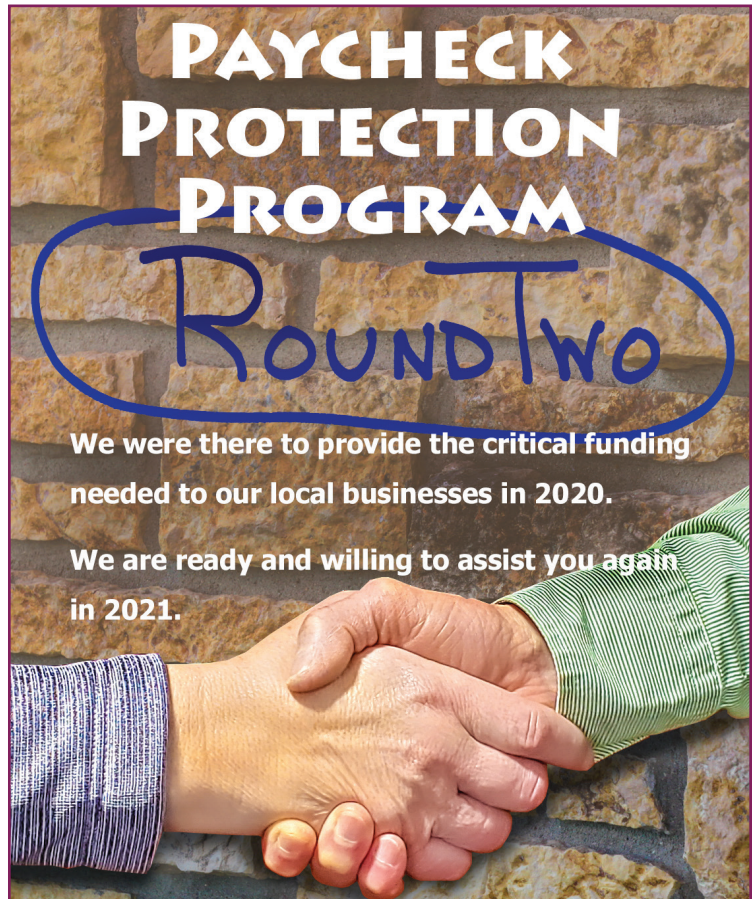


PAYCHECK PROTECTION PROGRAM

ROUND TWO

We were there to provide the critical funding needed to our local businesses in 2020.

We are ready and willing to assist you again in 2021.



Employee Profile



Del Peterson

Name: Del Peterson

Position at Bank: Vice President / Compliance Officer / Internal Auditor

Years in Banking: 13 Years at CSBNYA / 29 Years in Banking total

Favorite Board Game to Play: Risk and Marbles

Favorite TV Shows: Last Man Standing

Hobbies: Right now, it is updating and remodeling my home ... not much time for anything else.

Best vacation you've taken: 2-week trip with wife and adult daughters in 2018 to Madrid, Spain and Italy, including Rome,

Venice, Naples, and Positano along the Amalfi Coast. Can't wait to go back to Italy!!!

Favorite book/movie: I enjoy reading the Mitch Rapp series by Vince Flynn. I always enjoy a good comedy movie.

What is something people don't know about you: I enjoy painting wet-on-wet oil-based pictures.

Favorite quote: "Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our light, not our darkness, that most frightens us. Et al." - Marianne Wilson poem

The famous person people say you most look like: No one has ever told me I look like someone else – no doppelganger for me.

If they were casting a movie about your life, what Hollywood actor/actress should play you: Chris Farley or John Candy – love both of them in movies; unfortunately, they are both deceased (the irony of it all).



Nancy Lehman

Financial Services
Mortgage Officer

NMLS #1999080

Top Reasons to Refinance Your Home

On a national basis, the average rate on a 30-year fixed mortgage is now below 3%*. Because of this, most homeowners are in a position to refinance and save some significant money. Here are some of the top reasons to consider refinancing your existing mortgage.

Reduce Interest Rate and Monthly Payments

The most obvious reason that people choose to refinance is to reduce their interest rate and monthly payment. On a \$200,000 mortgage, a 1.00% drop in rate can reduce the monthly payments by roughly \$110. A 2.00% drop in rate reduces the monthly payment by roughly \$225. Considering a 30 year mortgage has 360 payments, the total savings can be enormous.

Reduce the overall term of the mortgage

The best way to explain this is by example. Let's say you have a 30-year mortgage that started at \$200,000 and a rate of 4.5%*. Your payment would be approximately \$1,013, not including property taxes or insurance. You've paid on it for 5 years and now you've decided to refinance to a 15 year mortgage at 2.5%*. Your new payment would be approximately \$1,216. You've increased your monthly payment by \$203, but knocked off 10 years of mortgage payments. By eliminating 10 years of payments you'll save more than \$80,000 over the life of the loan!

Eliminate Mortgage Insurance

Depending on how you financed your home, you may have mortgage insurance tied to the loan. This insurance is not the same as homeowners insurance. It's an insurance that you pay for, but it protects the lender in the case that you stop making payments on your loan. If your loan was for more than 80% of the value of your home, or you used a program like FHA or USDA, you are

likely paying for mortgage insurance. The cost of this insurance is typically between 0.55% and 1.00%. Your interest rate might say you're paying 4.00%*, but if you have mortgage insurance on top of that you're basically paying 4.55% - 5%, depending on the amount they're charging you for it. FHA and USDA mortgage insurance is charged for the life of the loan. Other mortgage insurance providers generally discontinue the additional charge once you've paid your loan down to 78%-80% of the appraised value (the appraised value they use is not the current value, it's the value at the time you took out your loan). Because home values have been steadily increasing over the last few years, you can potentially reduce your interest rate and reduce or completely eliminate the mortgage insurance by refinancing your home.

Cash Out to Consolidate Debt or Make Home Renovations

As stated above, home values have been steadily increasing. If you have enough equity in your home, you can potentially refinance your mortgage to pay off high interest loans and credit cards. If you're paying 18% - 27% on a credit card and have the ability to move that debt to a mortgage and pay it off at an interest rate in the 2's, it's a no-brainer decision. Also, if you need to upgrade a furnace, replace a roof, or do any other major improvements, borrowing against your home is typically the best option for those that are unable to pay cash for large expenses like these.

Regardless of your situation, if you have a mortgage, now is a great time to consider refinancing to take advantage of these low rates. As your local community bank, we never use high pressure sales tactics to get you to sign on the bottom line. We simply do the math. If it makes sense, we'll let you know. If doesn't pay for you to refinance now, you can count on us to let you know that too.

**Rates above are for example purposes only.*

This is not to be deemed or construed to constitute or imply any commitment or obligation on the part of the Bank to lend.



The lost art of relationship banking

“Citizens State Bank was able to finance land adjacent to our farm that other banks were scratching their heads at. They worked fast and efficient, even during a pandemic (COVID-19). Great example of the lost art of relationship banking. Jason Winter lead the way and Rhonda Powers helped with home refinancings at great lower rates. Thanks Citizens State Bank team.”

Jeff Stoebner



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Member FDIC

NMLS #629780



SLS
Certified Public Accountants
Tax, Accounting, and Financial Services

Banking at its best!

“It is always a pleasure to work with the staff at Citizens State Bank, business or personal! There is never a doubt that someone will be able to answer my questions or help me out with anything banking related. Thanks for all you do for the NYA area community!”

Mona Platt, CPA
Partner at SLS, Inc.



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