

West View Savings Bank

“Over 100 Years of Quality Banking”

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NEWSLETTER

July 2013

Demystifying Credit Scores

A Message from our President, David J. Bursic

What is A Credit Score?

A credit score is a measure of risk based on a person's credit history and indicates how likely they are to repay a loan and make payments on time. People with higher scores are considered lower risk and likely to get better loan terms (lower interest rates) than people with low scores. People with lower scores are considered to be at higher risk for not repaying a loan and therefore don't get the best loan terms (higher interest rates).

How Do Credit Scores Work?

A credit score can range from 300 to 850 depending on the rating agency. Generally, about 35 percent of the score is based on payment history; 30 percent is based on the ratio of outstanding debt to credit available, even if the credit hasn't been used (known as debt-to-credit ratio); 15 percent is based on how long a consumer has had credit; 10 percent is based on the number of inquiries into a report; and 10 percent is based on types of credit.

What Is a Good Credit Score?

An good credit score is generally considered to be above 720. However, this varies depending on which

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Start Preparing for the 2013 Tax Year Now

With the 2012 tax year recently put to rest, now is an ideal time to begin preparing for April 15, 2014. It's never too early to get ready for next year's taxes. By implementing a few strategies today, you can make the 2013 tax year less of a bother—and maybe even save yourself some money.

Reduce Your Taxable Income

Review your 401(k) or 403(b) retirement plans to ensure you are making the most of the contribution limits to your tax-deferred retirement accounts. This will reduce your taxable income, meaning you won't pay taxes on what you save for the future. If you are over the age of 50, you may be able to take advantage of an additional \$5,000 “catch-up” retirement plan contribution. See a tax advisor for additional information.

A traditional IRA is another way to reduce your taxable income and save for the future. With a traditional IRA, you get a tax deduction for the amount of savings you contribute to the account. For the 2013 tax year, IRA contributions are limited to \$5,500 if you are age 49 or younger and \$6,500 if you are age 50 or older. If you also make contributions to an employee-sponsored retirement plan such as a 401(k) or 403(b), your traditional IRA contributions may be fully deductible, partially deductible or not deductible at all. You can find all of the information you need about this from the IRS in its Publication 590 - Individual Retirement Accounts.

Stay Organized

A concerted organizational effort will certainly make things easier the night before your tax return deadline. If you deduct mileage and travel expenses for business or medical reasons, keep a small notebook in your vehicle or in your travel bag to record these numbers. While you may be able to deduct medical expenses next year, you will need to keep track of

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credit bureau awarded the score and which bank is extending the loan offer.

The score most commonly used by lenders is FICO, named after Fair Isaac and Company. FICO says its "high achievers" have scores over 785, which is 25 percent of all individuals with credit scores, or more than 50 million individuals. FICO scores range from 300 to 850.

According to credit rating agency Experian, the average U.S. credit score is 750 (VantageScore®) out of a range of 501-990.

The three major credit bureaus (Experian, Equifax and TransUnion) each have their own formula for computing credit scores. This is why you'll often have a different score with each company.

How Can I Improve My Credit Score?

To improve your credit score:

- Pay your bills on time. Pay at least the minimum due, but paying more is even better.
- Watch for warning signs of credit trouble. If you pay only the minimum balance, pay late or use cash-advances to pay daily living expenses, you might be in the credit "danger zone." For more information on debt management, contact the National Foundation for Credit Counseling (www.nfcc.org).
- Check your credit report annually. Make sure your credit report is accurate before applying for a loan (such as a mortgage) in order to get the best terms. You can get one free copy of your report each year from each credit reporting agency by calling the Federal Trade Commission at (877) 322-8228 or by visiting www.annualcreditreport.com. If you find errors, dispute them.
- Don't use too much of your available credit. To boost your credit score, try not to use more than about 30 percent of your available credit on any credit card.
- Don't skim—read the fine print. A loan or credit card application is a contract, so read it thoroughly before signing. Be aware of introductory rates that expire, as well as the length of monthly billing cycles.
- Ask questions. If you don't understand the terms of a loan, ask. If you've been denied credit, find out why and then ask the lender how you can improve your chance for approval in the future.
- Set a budget and stick to it. Develop a financial plan to keep your finances in order. Don't spend more than you can repay and don't "max out" your credit cards.
- Comparison shop. Don't jump at the first appealing offer; compare rates and fees offered through mail solicitation, on the Internet or on television. Then call West View Savings Bank for our best loan offer.



BANKING IN A HIGH TECH WORLD

FDIC Consumer Newsletter Features Tips on Banking in a High-Tech World - Other Topics Include Debt Collection, Branch Closings, Bank Mergers, and Buying a CD from a Broker.

New technology can dramatically change the way people manage and save money. To help consumers learn more about banking in a high-tech world, the Spring 2013 issue of FDIC Consumer News features practical tips on how to reap the benefits and avoid potential problems. Other timely topics include dealing with debt collectors, finding affordable small loans, thinking about your options after a branch closing or a bank merger, and taking precautions before buying a bank certificate of deposit (CD) from a deposit broker instead of directly from a financial institution like ours. Other topics and tips are covered in the latest newsletter:

Banking in a high-tech world: The lead article notes that sophisticated criminals try to steal valuable details from credit and debit cards that can be used to create a counterfeit card or make purchases online or over the phone. The FDIC newsletter offers tips for preventing or detecting card fraud and stresses the importance of quickly reporting a problem. It also looks at how new bank technology can help consumers, such as with "mobile banking" (using a smartphone, "tablet" computer or other device) and electronic check registers.

Solving common debt and credit problems: In one article, the newsletter reminds readers that debt collectors have a duty to treat consumers fairly and without harassment. The publication also warns of scams by people falsely claiming to be debt collectors. In another article, consumers who normally turn to companies such as car title lenders, payday loan stores and pawnshops for small loans are advised to instead find out if banks are offering small loans at better interest rates and terms. Also, in this issue are tips on how consumers can improve their credit reports and, in turn, pay less for loans.

The goal of FDIC Consumer News is to deliver timely, reliable and innovative tips and information about financial matters, free of charge. The Spring 2013 edition can be read or printed at:

www.fdic.gov/consumers/consumer/news/cnspr13



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Start Preparing for the 2013 Tax Year Now

those expenses either way. It's a good idea to buy a folder or a small accordion file to hold all of your potential tax deductions in 2013. If you plan to take deductions, you must have the documentation to support them and a separate "tax file" is a great way to stay organized.

Plan a Charitable Contribution

Do you have an old car that you want to get rid of? Many local organizations will take that car off your hands and give you a valuable tax deduction for it. It's a great way to support a worthy cause and lose that old clunker! You will need to keep written records of all charitable deductions, including the name of the organization, the date and the value or amount of your contribution. Most organizations will provide donors with a written letter or receipt for each donation, and these go in your "tax file."

Prepare for Affordable Care Act Changes

Beginning in January 2014, every American will be required to have some form of health insurance. For taxpayers that don't already have health insurance, they may qualify for help from the government, part of which is based on the 2012 tax year return information. If you do not buy health insurance by January 2014, you will face penalties of \$95 or 1 percent of your household income, whichever is greater. The penalty amount will increase to \$695 or 2.5 percent of household income in 2016. At the same time, writing off healthcare expenses other than insurance will become tougher.

Beginning with the 2013 tax year, only medical expenses in excess of 10 percent of your adjusted gross income can be deducted. A great resource for information about how the Affordable Care Act will affect you can be found at www.healthcare.gov.

While the 2013 tax year poses many challenges, preparation can help ease your burden. Time flies and before you know it, April 15, 2014 will be upon us. Start thinking about the 2013 tax year today—while the pressure is off—and you might be able to save yourself considerable headache and a few dollars.

CUSTOMER APPRECIATION WEEK

Customer Appreciation Week ended on Saturday, June 22, 2013. Each branch office had their special day with popcorn, balloons and light refreshments offered to our customers. Attractive flower baskets, tee-shirts and gift certificates were raffled at each office.

All and all, it was a very pleasant experience for our customers and employees. Many kind words and expressions of appreciation were shared. Thanks to all our employees for their help in decorating and making their office look so exceptional for this special Appreciation Week.

BELLEVUE'S ANNUAL



DAYS

Bellevue is celebrating their "Annual Sidewalk Sales Days", July 18, 19, and 20th. There will be fun for all, with music and entertainment. Not to mention the aroma in the air of freshly made popcorn from WWSB. In conjunction with the Sidewalk Sales, the YMCA is having a 5 K race beginning 7:30 to 9:30am Saturday the 20th of July. Come on down and have some food and fun.

WEST VIEW SAVINGS BANK WILL BE CLOSED THURSDAY, JULY 4, 2013



WEST VIEW BANK BRANCH OFFICES

Table with 2 columns: Office Name and Phone Number. Includes West View Office, McCandless Office, Cranberry Office, Sherwood Oaks Office, Franklin Park Office, Lending Division, and Bellevue Office.

Visit us at www.wvsbank.com



KID'S KORNER

Red, White and Bleu Slaw Recipe



Ingredients

coleslaw mix

12 cherry tomatoes, halved

3/4 cup coleslaw salad dressing

3/4 cup crumbled blue cheese, divided

1/2 cup real bacon bits

Directions

In a large bowl, combine the coleslaw mix, tomatoes, salad dressing and 1/2 cup blue cheese. Cover and refrigerate until serving. Just before serving, sprinkle with bacon bits and remaining cheese. **Yield:** 6 servings.

Funny 4th of July Jokes to Share with Your Kids

(OK, I know they're corny, but kids really do love them!):

Q: Did you hear the one about the Liberty Bell?

A: Yeah, it cracked me up.

Q: Why did the British cross the Atlantic?

A: To get to the other tide

Q: What happened as a result of the Stamp Act?

A: The Americans licked the British

Q: What did one flag say to the other flag?

A: Nothing, it just waved.

Q: Why did the duck say bang?

A: Because he was a firecracker

Q: What's the difference between a duck and George Washington?

A: One has a bill on his face, and the other has his face on a bill

Q: What was George Washington's favorite tree?

A: The infantry

Q: Do they have a 4th of July in England?

A: Of course they do. That's how they get from the 3rd to the 5th.

Q: What protest by a group of dogs happened in 1773?

A: The Boston Flea Party

4th of July Fun Facts, Trivia and Jokes for Kids

The Fourth of July is right around the corner, and many parents will break out the red, white & blue and barbecues to commemorate our national day of independence. Why not get the kids involved this year, by springing a few trivia facts or jokes on them?

4th of July fun facts and trivia:

Benjamin Franklin wanted the **turkey** to be the national animal but was outvoted when John Adams and Thomas Jefferson chose the **bald eagle**.

Over an estimated **150 million** hot dogs will be consumed today. That's roughly **1 dog for every two people** in the U.S. Oddly, the majority of the nation's flags and patriotic paraphernalia in relation to the 4th of July is produced in **China**. Nearly \$349 million dollars are used each year to import the flags, banners, decorations, and emblems.

The first 4th of July party held at the White House was in **1801**.

The 4th of July was not declared a national holiday until **1941**. The national anthem is actually set to the tune of an old English drinking song called *To Anacreon in Heaven*.

John Hancock was the only person to actually sign the Declaration of Independence on July 4, 1776. The other 55 signers did not sign it until August 2nd or even later.

When the United States became a country, there were approximately **2.5 million** people living in the country. Today the population is around **304 million**.

Bristol, Rhode Island has the oldest, continuous 4th of July celebration dating back to 1785.

The following events happened on July 4th:

Three U.S. presidents have died on July 4th. Both **Thomas Jefferson** and **John Adams** died on July 4, 1826, the fiftieth anniversary of the signing of the Declaration of Independence. Five years later, **James Monroe** died on July 4, 1831. Alice's Adventures in Wonderland was published on this date in 1865.

Calvin Coolidge is the only U.S. president **born on the 4th of July**. He was born in 1872.

Ann Landers and twin sister Abigail VanBuren, both advice columnists, were born on July 4, 1918.

Marie Curie, the only woman to win two Nobel Prizes and the only person to win two in two different science fields, died on July 4, 1934.