

Ambassador Club News

Spring 2023

A newsletter for F&M Bank's Ambassador Club members

President's Message

Many of you have seen recent media coverage about the banking industry. In March of this year, a \$200 billion bank in California failed, and a few days later, a \$100 billion bank in New York failed. Both situations were isolated cases, as these banks ran nontraditional business models focused on risky market segments.

F&M Bank operates a traditional community bank business model and has no exposure to cryptocurrency or any other high-risk market segment. We are highly capitalized and have strong liquidity. Our roots are deep, and we continue to do what we've always done: build strong relationships with our communities' individuals, businesses, and farmers.

Our entire organization is managed locally by the staff our clients know and trust. Our bank lends to businesses and individuals in rural and urban settings, which helps our customers and the communities we serve grow and prosper. Finally, we firmly believe in good corporate citizenship.

Our entire banking team is eager to serve Ambassador Club members to make sure you get the most from the many products and services we offer. Thank you for placing your trust in us!

Sincerely,



Doug Sanders
President
F&M Bank Division



Doug Sanders

Club Director's Message

Spring greetings to you all!

We had a mild winter, but I am still looking forward to the sights, sounds, and smells of spring. Tulips blooming, songbirds chirping, and who doesn't delight in the scent of that first spring rain?

Your senses are refreshed when the seasons change from gray to green, so why not invigorate your finances with a spring cleaning? Your business is very important to us, and we value your financial success. We invite you to call or visit one of our many locations and let one of our knowledgeable representatives spruce up your banking greenhouse.

We're still playing bingo at The Hub in Galesburg. Yes, there are prizes! No, they are not grand, but it's a fun way to spend an afternoon!! We play the second Thursday of every month from 2:00 – 4:00 p.m. and would love to have you join us.

Check out our Calendar of Events for dates and destinations of all our Ambassador Club trips and events.

Do you have a family member or friends who may be interested in changing banks or are moving to the area? You can give them a Tell-A-Friend coupon. When they bring this to the bank and open one of our fabulous checking accounts, you'll receive a \$10 gift card. Plus, they will have a chance to win a deluxe prize.

Calling all aspiring chefs! Your recipe could make you a winner! Submit your favorite recipe by regular or e-mail. One entry is selected, and the winner receives a \$25 gift card.

Continued on next page



Denise Haptonstahl

Club Director's Message, *continued*

As many of you know, CD specials are more attractive these days, and we'd be happy to help you find the one that fits your needs.

So, until I see you at bingo, Diners' Club, or one of our other fun events, I will leave you with these inspiring words:

"If we had no winter, spring would not be so pleasant."
- Ann Bradstreet



Until next time,

Denise Haptonstahl

Ambassador Club Director

(309) 343-0002, ext. 20667

denise.haptonstahl@thefmbank.com

Are you really the lucky winner?

Spot the prize scams

Say you hear or read the words: "You've won!" What will you do with your winnings? Who wouldn't be excited to win a prize, sweepstakes, or lottery? But...did you actually win? And how do you know?

Sweepstakes, prize, and lottery frauds are among the top scams people report to the FTC. These scams usually start with a call or message that says you're a winner. (A lie.) They say to get the so-called prize you have to send money or click somewhere to give your information. Don't. The most recent FTC data shows people reported losing \$301 million to this type of fraud. That's an average loss of \$907 per person.

But there are also legitimate contests and prizes that follow the law and give real prizes. So how do you know the difference?

One question to consider is: did you enter the sweepstakes or play the lottery? If not, you absolutely didn't win. And here are other ways to spot and avoid prize scams:

- **Don't pay to get a prize.** Real prizes are free. Anyone who asks you to pay a fee for "taxes," "shipping and handling charges," or "processing fees" to get your prize, is a scammer. Stop and walk away.



- **Don't give your financial information.** There is absolutely no reason to ever give your bank account or credit card number to claim a prize. If anyone asks for it, it's a scam.
- **Don't give your personal information.** Scammers hope you'll click on links that will take your personal information or download malware on your device. Delete the message without clicking on the links and don't respond.

Consider a Trust in Your Estate Plan



A basic will is a good starting point. However, you may want to consider additional documents — such as a trust — as part of your estate plan. A trust is a legal arrangement that allows you, the grantor, to decide what happens to your assets during your lifetime and plan for their distribution after your death.

A trust is created through legal documents, which contain instructions regarding how you want your assets distributed. Common assets held in trusts include investments, real estate, bank accounts, cars, boats, or other valuable personal property. At the time you determine, or upon your death, the trustee — either a person or organization of your choice — will carry out your wishes on the distribution of your assets.

Trusts are as varied as the assets protected by them. A few of the more common types of trusts — testamentary, living, revocable and irrevocable — are explained below. If you are interested in establishing a trust, visit with JJon Holthe or Tom McIntire at F&M Bank. They can help you determine which type of trust is right for you and your family.

Testamentary Trusts

Testamentary trusts are often established to outline distribution guidelines for minor children or children with special needs. These trusts are:

- Created by you as part of your will
- Revocable, meaning you can change the terms at any point during your lifetime
- Made effective at the time of your death

Keep in mind, because a testamentary trust is part of a will, it will likely go through the probate process before taking effect.

Living Trusts

Another type of trust is a living trust, which does not go through the probate process, as it is usually created by the grantor during their lifetime. There

are generally two types of living trusts: revocable and irrevocable.

You can change or cancel a revocable living trust any time before your death. Living trusts also allow the grantor to:

- Address numerous assets or property owned in multiple states
- Include extended family members
- Plan for mental or physical incapacity or disability

Conversely, you cannot amend or cancel an irrevocable living trust once established. At that point, as grantor, you step aside permanently and no longer have the power to manage the assets in your trust.

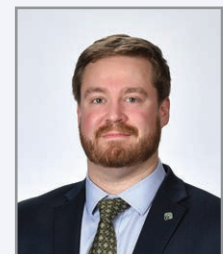
Irrevocable living trusts also allow the grantor to:

- Receive a charitable tax deduction the year it is established (or, if assets transfer after your death, your estate receives the deduction)
- Protect assets from the former spouse of a beneficiary in the event of divorce

Trusts can be complicated legal arrangements. If you think a trust may be right for you, contact Jon Holthe or Tom McIntire and they will be happy to visit with you.



Jonathan D. Holthe
Senior Vice President
& Senior Trust Officer
(563) 262-3124
Jon.Holthe@cbibt.com



Tom McIntire
Vice President &
Trust Officer
(309) 344-2450
Tom.McIntire@thefmbank.com

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CDs: A Great Investment Strategy

With recent increases in interest rates, CDs have become attractive investments, especially given their safety. However, savers may not be unlocking their full potential.

A strategy to increase income and reduce interest rate risk is to ladder CD maturities. The process is as follows. Suppose you have \$15,000 to deposit and are looking at a 3-year time horizon. By employing the CD Ladder Strategy, instead of locking your money in for three years, you would spread that around shorter maturities. You might buy:

- A \$5,000 6-month CD
- A \$5,000 1-Year CD
- A \$5,000 3-Year CD

Now if interest rates go up, you have a CD maturing to take advantage of the higher rate. If rates do not go up, you have the benefit of the longer-term CDs to give you much more income than having it all in the short term. There is no need to chase down the highest special

unless it fits the maturity, and no need to worry about interest rates. By having multiple CDs spread over different periods, investors will always have cash available.

The strategy can be helpful for retirees who wish to stretch fixed retirement incomes. CD ladders also help avoid market volatility.

Stop by today and let an F&M banker design a CD Ladder Strategy that fits your financial needs.



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For a complete merchant list, visit <https://www.thefmbank.com/personal/ambassador-club>