



Notes of INTEREST

Fall/Winter 2010

www.dairystatebank.com

Financial reform legislation

By Mike Bock, CEO

On July 21, 2010 President Obama signed legislation, titled the Dodd-Frank Wall Street Reform and Consumer Protection Act. This legislation is a massive overhaul of the financial system and its regulatory structure. In its original form it is 2,300 pages in length, with early estimates that this act will grow to roughly 5,000 pages as final rules and regulations are drafted as a result of various studies that are called for in the legislation.

This will be the largest piece of legislation ever assembled that relates to the financial services industry. Time will tell if it produces its desired results — that is, to prevent a repeat of the recent challenges of the financial services industry.

Four key points

Here are four key points, as of today:

1. As part of the legislation, **the FDIC insurance limit of \$250,000 has been permanently implemented, making the \$100,000 insurance limits a thing of the past.** We, as bankers, are supportive of this change



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Holiday Greetings

As another year draws to a close we want to wish all of you a happy and joyous holiday season. We thank every one of you for the opportunity to assist you with your financial needs and we look forward to helping you for years to come.



Bank Locations

Rice Lake
16 South Main Street
715-234-9181 • Toll free 866-436-7158

Birchwood
124 North Main Street
715-354-3411

Haugen
103 Third Street
715-234-7006

Prairie Farm
100 Hepburn Street East
715-455-1339

Member FDIC



Menomonie
2405 Schneider Avenue
715-235-5511 • Toll free 888-235-5511

Menomonie
600 Second Street
715-235-6983

Menomonie
2320 Highway 25 N
715-235-6801

Colfax
101 South Main Street
715-962-3577

Downsville
E4491 County Road C
715-664-8711

Wheeler
100 South Hwy 25
715-632-2441

Travel tips

It may seem unusual for a bank to provide travel advice, but we offer these tips to help you avoid the hassle and disappointment of not being able to access your funds when you're on a trip.

With so much fraud occurring these days, security is heightened whenever our debit card processor sees unusual or unexpected activity. Traveling out of your usual area — especially overseas — can trigger this heightened security.

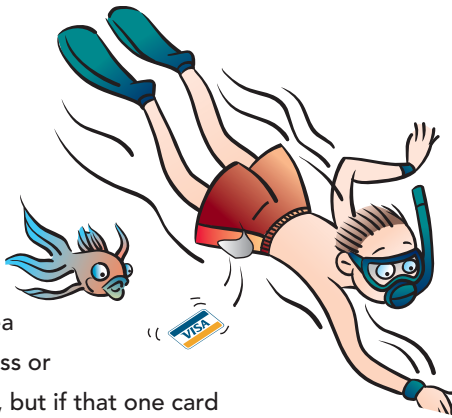
Call ahead

The first suggestion is to call the bank and let a customer service representative know where you are traveling to and the period of time you expect to be there. This is especially important for international trips, as so much of the fraud being perpetrated today originates in foreign countries.

If our warning reports show your debit card being used internationally and we have no knowledge of your planned trip and cannot reach you to confirm this activity — which would be the case if you really are traveling — your card may be blocked for future transactions.

Double up

Take at least two sources of payment when traveling. Traveling with a single credit card or debit card may sound like a good idea to hold your risk of loss or misuse to a minimum, but if that one card malfunctions, is stolen or accidentally ends up in the ocean when you go for a swim, it may not be available to you.



Back up your credit card or debit card with a travel card that you leave in a safe place. Travel cards carry a small fee to purchase but they are a very cheap insurance policy as a contingency plan for money on your trip.

Finally, carrying a reasonable amount of cash also can be part of your financial plan.



With these tips in mind, pack your sunscreen and enjoy your trip! ➡

Congratulations, Brandon!



Brandon Olson, CRPC®
LPL Financial
Representative

The College for Financial Planning®, located in Denver, has announced that Brandon M. Olson, of Rice Lake, Wisconsin, has successfully completed the Chartered Retirement Planning Counselors (or CRPC®) Professional Designation Program. Individuals who have successfully completed the program, passed a final proctored exam, and signed a code of ethics and disclosure form, have earned the right to use the CRPC® mark.

CRPC® Professional Designation Program

Graduates of the CRPC® program must complete a specialized independent study course that provides a general foundation for giving retirement planning advice to clients. The course covers key issues that occur throughout all phases of retirement planning.

The CRPC® program prepares individuals for the changing demands of the retirement planning profession. Its curriculum emphasizes the importance of understanding each client's individual financial situation, and then analyzing his or her related needs and identifying investment opportunities that will best meet those needs.

Brandon is the LPL Financial adviser located at Dairy State Bank. If you have questions about your personal retirement plan and feel you could use some assistance, give Brandon a call in Rice Lake at (715) 234-9181 or in Menomonie at (715) 235-5511.

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Not FDIC insured. No bank guarantee. May lose value. Not a deposit. Not insured by any Federal Government Agency.

Business news to note

TT&L coupons to end

The IRS recently ruled to eliminate the paper Treasury, Tax and Loan (TT&L) coupon system, effective January 1, 2011. The coupon, Form 8109, is commonly used to pay 941, 945, 720 and 1120 taxes. Businesses that currently use TT&L coupons for tax payments will now be required to make payments electronically, using the Electronic Federal Tax Payment System (EFTPS), or by phone.*

EFTPS is free, secure and easy to use

EFTPS is a free service, available 24 hours a day, 7 days a week, designed to be secure, convenient and easy to use. Payments can be scheduled in advance of the due date in a matter of minutes.

In late October, EFTPS began sending pre-enrollment information to all businesses that have used a coupon in the past 18 months. The IRS has also begun to provide separate, additional notification to taxpayers. If you wish to enroll now, follow the easy step-by-step instructions online at www.eftps.gov or by calling 1-800-555-4477.

Dairy State Bank will continue to accept TT&L coupons through close of business December 31, 2010.

*Some payroll services or accounting firms may also be able to make tax payments for you. Please consult your tax preparer.

Points of interest

Fraud reminder — it's that time of year

The holiday season tends to have a greater degree of fraud activity than any other time of the year. Be careful of any deal, promise or opportunity that sounds too good to be true, is originating from a foreign country or is from parties you know nothing about. The best defense to safeguard your money is to have a healthy level of caution when unexpected opportunities show up.

Credit/check card information

The following numbers are available to use if you need to report a lost or stolen check card or credit card when the bank is not open:

Check Card – 800-554-8969 • Credit Card – 800-558-3424

Bank statement review

Be sure to review and balance your bank statements on a regular basis. The best and quickest way to detect unauthorized transactions in your account is to review the activity.

Low home loan rates

With home loan rates continuing at very low levels, it is a great time to consider buying a home or refinancing your home. Another plus is the sizeable selection of homes to choose from. Talk to any of our home loan lenders for more details or go to our website at www.dairystatebank.com and click on the mortgage center link in the lower left corner for current rates and the ability to apply online.

CD rate and term considerations

While home loan rates are low, unfortunately so are savings rates. In light of this, we strongly suggest to our certificate of deposit customers to consider maturity terms of 12 to 24 months, instead of 6 months, IF you are able to leave the money invested for that term. The longer terms yield a higher return. Current indications are that the Federal Reserve will continue to keep rates down — to help borrowers and the general economy — leaving the likelihood of rates going up soon fairly remote.

Transaction limits on savings and money market accounts

As a reminder, current banking regulations limit the number of withdrawals from your savings or money market accounts to six per month. Withdrawals include those made by check, bill payments, ATM activity, automatic payments and automatic transfers between accounts. Regulations require us to monitor these accounts for activity in excess of six per month. If we see noncompliance, we must notify the account holders of the transaction limits. If violations continue, we then must close the account or have the account changed to a checking account, which allows unlimited activity. While there has been past discussion of raising this transaction limit, as of now, the six transaction limit is the rule.





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CEO's message *(continued)*

because the increase will add some additional security for many account holders.

2. Effective January 1, 2011 through December 31, 2012, **non-interest-bearing transaction accounts (checking accounts) will enjoy full FDIC insurance coverage no matter what the deposit balance.**

3. New government agencies will be established as a result of this act, with the two most notable being an Oversight Council and a Bureau of Consumer Financial Protection.

The Oversight Council's primary mission is to collect and study information from the financial services industry and to make recommendations to financial regulators regarding heightened prudent standards. **Its goal is to reduce the risk of repeating the recent chain of events.**

The Bureau of Consumer Financial

Protection will regulate and monitor financial products offered to consumers to see that they are fair, properly disclosed and competitive.

4. A significant part of the act deals with home loan lending and some of the expectations for the future. Many of these proposed requirements are reasonable; however, **as new provisions become effective, the end result will likely be a little slower process for obtaining a home mortgage.**

Certainly, 2,300 pages of legislation cannot be reduced to these four major points, as there are many more regulations and areas of interest addressed.

What this message is meant to share is that while this is a very sizeable piece of legislation, there will continue to be more regulations to follow as the different agencies, councils and bureaus finalize Congress' intent.

We encourage all of you to monitor communications from Dairy State Bank. It is our goal to share with you, as quickly as we can, any information

that affects you and the services you use at the bank. We all hope this legislation leads to the desired safeguards and oversight, but with any document of this length it will take time and effort to understand and implement the changes.

Thank you, in advance, for your understanding as our industry works to understand and implement the provisions of this legislation. ➤



Welcome

Dairy State Bank is pleased to announce that Brandon Casto has joined our lending staff. He will be working primarily with our commercial lending, from the Menomonie-Oaklawn office.

*Join us in welcoming
Brandon to DSB.*