

OFFICES

CORNING OFFICE | 112 North Valley Street | Corning, OH 43730 | 740-347-4355

MALTA OFFICE | 10 Third Street | Malta, OH 43758 | 740-962-4266

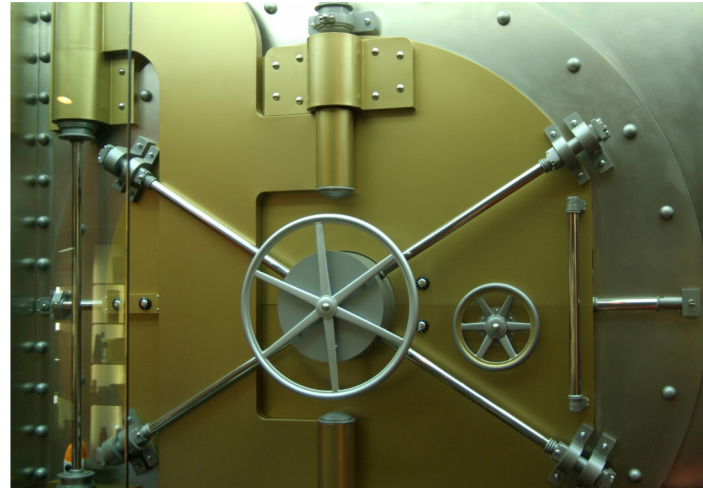
ZANESVILLE OFFICE | 2775 Maysville Pike | Zanesville, OH 43701 | 740-450-2265

N ZANESVILLE OFFICE | 3636 Maple Avenue | Zanesville, OH 43701 | 740-452-7920

BUCKEYE LAKE OFFICE | 5245 Walnut Road | Buckeye Lake, OH 43008 | 740.527.2244



INSIDE THE VAULT



FOR YOUR FUTURE



Computer Chips & Your Debit & Credit Cards

NORTH VALLEY BANK WILL BEGIN ITS' DEBIT CARD MIGRATION TO "SMART CARDS" IN 2016

If you use debit and credit cards, you may begin to see something different about them in the weeks, months and years ahead. The difference is in a small, square area on the card that contains an embedded computer chip. The new cards are called "smart cards," and employ microchip technology. The technology goes by many names, so watch for any of the following as the cards become more prevalent: SMART CARD, CHIP CARD, SMART-CHIP CARD, CHIP-ENABLED SMART CARD, CHIP-AND-CHOICE CARD, EMV (Europay, MasterCard, Visa) SMART CARD AND EMV CARD.

Financial institutions have invested heavily in recent years in the technology and infrastructure aimed

at making your accounts safe from criminal hacking and data theft. Enter the "smart card" with microchip technology, which adds a new layer of security to your card transactions.

With chip technology, each transaction is approved using a unique encrypted authentication code, making it far more difficult for unauthorized users to copy or access your personal information. That unique one-time transaction information also prevents a thief from making any additional purchases with stolen card data.

As a "smart card" user, you won't see many changes in how you make everyday purchases. In the short term, card issuers will include both

the microprocessor chip and the magnetic stripe technologies on newly issued debit and credit cards. With magnetic stripe technology, a quick swipe is used to read the data. With smart cards, the chip is "read" when the card is dipped into the terminal.

It is important to remember that "smart cards" safety measures work only for in-person or card-present transactions at properly equipped retail point of sale terminals and ATM machines. Online retail transaction using your "smart card" do not offer the same safety and security because the technology only works if a machine can physically read the chip on your debit or credit card.

RED NOSE DAY

North Valley Bank participated in Red Nose Day (5-21-15). We raised \$168 that was donated to United Way to aid children and young people living in poverty.



Bowl for Kids' Sake

North Valley Bank sponsored 2 teams for the 2015 Bowl for Kids' Sake (Big Brothers Big Sisters).



HOW MANY HOUSEHOLDS HAVE THE RIGHT OUTLOOK TO BUILD WEALTH?

THE PSYCHOLOGY OF SAVING

Why do some households save more than others?

Building household savings may depend not only on cash flow, but also on psychology. With the right outlook, saving becomes a commitment. With a less positive outlook, it becomes a task – and tasks and chores are often postponed.

Financially speaking, saving is winning.

Sometimes that lesson is lost, however. To some people, saving feels like losing – “losing” money that could be spent. So assert Ellen Rogin and Lisa Kueng, authors of a recently published book entitled *Picture Your Prosperity: Smart Money Moves to Turn Your Vision into Reality*. They cite a perceptual difference. If people are asked if they can save 20% of their income, the answer may be a resounding “no” – but if they are asked if they can live on 80% of their income, that may seem reasonable.¹

There may be a gap between perception & behavior.

Since 2001, Gallup has asked Americans a poll question: “Thinking about money for a moment, are you the type of person who more enjoys spending money or more enjoys saving money?”²

While more respondents have chosen “saving money” over “spending money” in every year the poll has been conducted, the difference in the responses never exceeded 5% from 2001-06. It hit 9% in 2009, and has been 18% or greater ever since. In 2014, 62% of respondents indicated they preferred to save instead of spend, with only 34% of respondents preferring spending.²

So are we a nation of good savers? Not to the degree that these poll results might suggest. The most recently available Commerce Department data (January 2015) shows the average personal savings rate at 5.5% - a percentage point higher

than two years ago, but subpar historically. During the 1970s, the personal savings rate averaged 11.8%; in the 1990s, it averaged 6.7%.^{2,3}

What reminders or actions might help people save more?

Automated retirement plan contributions can assist the growth of savings, and are a means of paying oneself first. There is the envelope system, wherein a household divides its paycheck into figurative (or literal) envelopes, assigning X dollars per month to different packets representing different budget categories. When the envelopes are empty, you can spend no more. The psychology is never to empty the envelopes, of course – leaving a little aside each month that can be saved. Households take an incremental approach: they start by saving one or two cents of every dollar they make, then gradually increase that percentage, household expenses permitting.

DOG Day!

1ST Annual Dog Day event at our North Zanesville office was August 22nd. The event included Coner the local K-9 dog and his officer demonstrating run and chase maneuvers, Zanesville Animal Shelter had dogs there for adoption, local animal artists had their work on display, and “Paws Paint a Canvas” was there for dog owners have their pets paws painted to keep. It was a fun and successful event and we look forward to next year!



BUCKEYE LAKE

OUR BUCKEYE LAKE OFFICE IS OPEN
FEEL FREE TO STOP IN AND SEE US



Provided by Marc Carpenter

Frugality may help as well. A decision to live on 70% or 80% of household income frees up some dollars for saving. Another route to building a nest egg is to invest (or at least save) the accumulated consumer savings you realize at the mall, the supermarket, the recycling center – even pocket change amassed over time.

How many households budget like businesses? Perhaps more should. A business owner, manager, or executive may realize savings through this approach. Take it line item by line item: spending \$20 less each week at the supermarket translates to \$1,040 saved annually.

Working with financial professionals may encourage greater savings.

A 2014 study on workplace retirement plan participation from Natixis Global Asset Management had a couple of details affirming this. While employees

who chose to go without input from a financial professional contributed an average of 7.8% of their incomes to their retirement plan accounts, employees who sought such input contributed an average of 9.5%. The study also learned that 74% of the employees who had turned to financial professionals understood how much money their accounts needed to amass for retirement, compared to 54% of employees not seeking such help.⁴

Saving money should make anyone feel great.

It means effectively “paying yourself” or at least building up cash on hand. A household with a save-first financial approach may find itself making progress toward near-term and long-term money goals.

Marc Carpenter may be reached at 740-450-2265 ext 212 or marc.carpenter@invpro.com.

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

- 1 - businessinsider.com/mental-trick-save-money-2015-1 [1/27/15]
- 2 - gallup.com/poll/168587/americans-continue-enjoy-saving-spending.aspx [4/21/14]
- 3 - bea.gov/newsreleases/national/pi/pinewsrelease.htm [3/2/15]
- 4 - bostonglobe.com/business/2014/09/06/advice-seekers-save-more-study-finds/dJmUUXz78twO9OxLcRTqdN/story.html [9/6/14]



COMMUNITY BANKING, FOR YOUR FUTURE...

Stop into your local branch today, to start planning for your tomorrow.



HOME OWNERSHIP COSTS BEYOND YOUR MORTGAGE PAYMENTS

As house hunting season gets underway many first time home buyers may not be aware of all costs associated with long term home ownership. Here are a five examples of some potential expenses you may want to determine upfront prior to purchasing your dream

- ✓ **PRIVATE MORTGAGE INSURANCE (PMI)** Your lender may require Private Mortgage Insurance if your down payment is less than 20% of the lesser of your home's appraised value or purchase price. Premiums are based on the amount of down payment and the size of your loan. You will no longer need PMI when the ratio of your mortgage balance to your home's value reaches 80%. Your lender can inform you by how much the PMI premium will increase your monthly payment and for how long.
- ✓ **HOMEOWNERS INSURANCE** Although your lender will require a minimum amount of insurance you will need to carry, this is an expense you may not want to skimp. In the event of a disaster, it is crucial that you have sufficient insurance to cover your home's replacement cost and not its current market value. Also be aware that earthquake and flood damage are not usually covered by a standard homeowners policy; you will need to purchase a separate policy to cover these. An umbrella liability policy is also important to have in the event a third party injury occurs on your property.

Allow a little extra time for comparison shopping as premiums and bundle discounts can vary greatly between insurance companies.

- ✓ **HOME REPAIRS/MAINTENANCE** Depending on the age and condition of your potential purchase, you may want to require a home inspection contingency as part of your purchase contract. Although the buyer usually covers this cost, it can more than pay for itself by providing a basis to negotiate major repairs with the seller. For further peace of mind, you may also want a Home Warranty policy to be included in your purchase agreement. Even if no major repairs are anticipated, you will still need to budget for routine maintenance to maintain your home's aesthetic and functional value. Although suggested benchmarks include budgeting 1 percent of your home's value or \$1 per square foot annual, this amount will vary based on the property's initial condition, location, age and weather.

- ✓ **PROPERTY TAXES** Property taxes will vary from county to county and also based on your home's school district location. You can check your County Auditor's website to get an idea on the tax rate. On a positive note, property taxes are deductible on your federal tax return depending on your individual situation. Many lenders require property taxes and homeowners insurance to be escrowed into your monthly payments. Provided you do not carry PMI and you do not apply for a

VA or FHA loan, some lenders may allow you to waive the escrow account for a fee.

- ✓ **ASSOCIATION FEES** Even if you're not purchasing a condo, your home may be part of a community that shares amenities like a pool, recreation facility and/ or grounds maintenance. Keep in mind that unless you utilize part of your home in connection with a trade or business, association fees are not tax deductible.

Home ownership requires a long term financial commitment so do your homework before your buy. We at North Valley Bank suggest you establish a separate home-maintenance fund and budget accordingly. You may also want to apply for a home equity line of credit (HELOC) if larger expenses like a new kitchen, roof, or room addition are in the future. Once approved, HELOC allows ready access to the money, and interest payments may be tax deductible.

Up front knowledge of what your expenses may be and proper planning in advance will make your house hunting and ownership experience much more enjoyable.