



Citizens State Bank 2010 Newsletter

Debit vs. Credit: What Is The Difference?

Many people are not familiar with the differences between a credit card and a debit card. They may look the same, but they work in completely different ways.

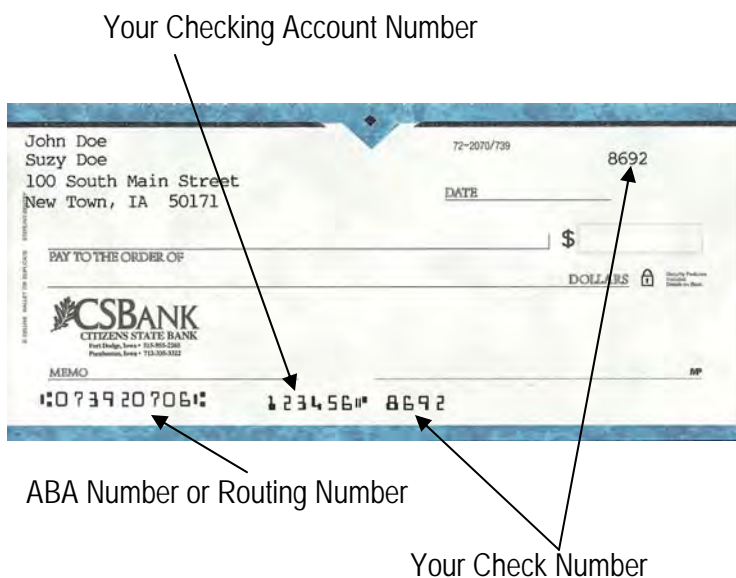
A credit card does not withdraw funds from an account. With a credit card, you must apply and get approved to receive a card from the issuing bank. You are given a credit limit, which you cannot exceed (there are penalty fees assessed for exceeding your limit). When you make a credit card purchase, the merchant gets approval from a credit card processor, who checks with the card issuer to make sure you have available credit. At the end of the statement cycle, you are issued a bill for the purchases made in the cycle. You must then pay the card issuer for those purchases. Interest is usually charged on balances not paid in full by the payment due date, however, there are several companies that begin charging interest from the date of purchase. Late payments usually result in a steep penalty fee. Visa®, Mastercard®, and Discover® are all examples of credit cards.

A debit card withdraws funds from your checking account. It's basically an ATM card, but has a Visa® or Mastercard® logo on it. A debit card can be used at any place that accepts cards with that logo. When you present your debit card at a store or restaurant, they process it the same way they do a credit card. However, the funds are immediately withdrawn from your checking account. You do not receive an end of the month statement requiring payment, and there is no interest charged on debit card transactions. Purchases show up on your monthly checking account statement. A debit card is basically a way to make purchases without writing a check. Some merchants also allow you to take cash back on your purchases made with a debit card.

There are several pros and cons when it comes to deciding whether to use debit or credit. The advantage of using a debit card is that you are paying for your purchase immediately, and don't have to wait to get a bill. If you are one of those people who aren't too good at handling money, a debit card is perfect because you can't exceed the balance in your checking account. If there is no money in your checking account, your card will be declined.

Have you ever wondered?

What are those numbers on the bottom of my check?



Have you ever wondered what the numbers at the bottom of your check are for?

The first set of numbers is called the **ABA number or Routing Number**. The second set of numbers is your **checking account number**. The third set of numbers is your **check number**. These numbers are printed on the bottom of your check to ensure the check is processed and makes it back to your bank. The routing numbers ensure that, no matter what bank your check is cashed at, it will end up at your bank for processing. These numbers make up the MICR line. The check number is also repeated towards the top right of the check.

Knowing the parts of a personal check can make check writing easier to understand. No matter what color or design you choose for your background, these five parts will make your checking writing a success every time!

Strong Passwords Are Key to Security

With password cracking software readily available on the Internet, here are the average times it takes to crack an eight-character password:

Numbers Only (0-9)	1 Minute	45781203
Common dictionary word with numeric suffix	21 minutes	Tree 2278
Alpha characters only	5 hours, 28 minutes	Iluvmydg
Alpha-numeric character combination	33 weeks	iLvMyDg2
Alpha-numeric and special character combination	19 years	iL!M*Dg2

Hacking, phishing and all forms of security intrusion are on the raise. Officials have found that many of the most successful recent attacks could have been prevented if users had followed password best practices such as the ones listed below:

1. **Think of a sentence you can remember.** For example: My son Ben is three years old.
2. **Convert to a password.** Take the first letter of each word of sentence you created to create a nonsensical word. Using the example above: msbityo
3. **Add complexity by mixing uppercase and lowercase letters and numbers.** It is valuable to do some letter swapping or misspellings. Using the example above: mSbI3yO
4. **Substitute some special characters.** You can use symbols that look like letters or combine words to make the password more complex. Using these tricks, the example above becomes: m\$bI3y0

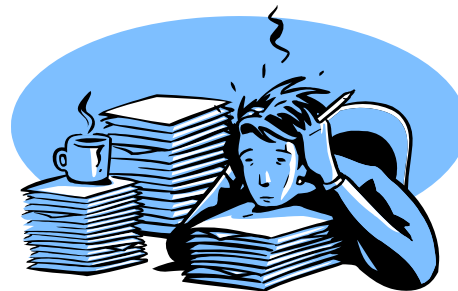
Using these guidelines can help you create strong, memorable passwords to protect yourself from fraud and identity theft.

Effective July 22, 2010 – The Standard Deposit Insurance Coverage Amount of \$250,000 was made permanent. The FDIC coverage limit applies per depositor, per insurance depository institution, for each account ownership category.

Citizens State Bank is participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2012, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

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