

Heritage Bank of Central Illinois

ON THE MONEY

Targeted Financial Solutions

Make your money work for you

Home Equity Line of Credit

HELOC features:

- Limited Closing Costs
- Tax-Deductible Interest
- Competitive Interest Rates
- Easy Funds Access
- Simple Application Process

A home equity line of credit, or HELOC, works similar to a credit card in that you have a revolving balance. It allows

you to borrow up to a certain amount of money over a set period of time as determined by your lender. During that time, you can withdraw money as you need it. As you pay off the principal, you can use the money

again, like a credit card. A HELOC has a variable interest rate, so your payments may vary.

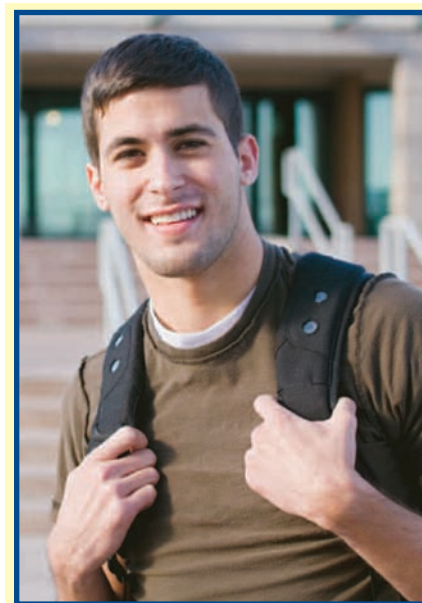
HELOC vs. Home Equity Loan

Unlike a HELOC, which has a revolving balance, a home equity loan is a one-time lump sum loan that is paid off over a set amount of time, with a fixed interest rate and the same payment each month. A home equity loan is beneficial for those who need a set amount of money for one purpose, such as an addition to their house, vacation or debt consolidation. A HELOC is advantageous for those who may need to draw money over a period of time, such as for education or medical bills.

How it works

For either a home equity loan or a home equity line of credit, the lender takes a percentage of your home's appraised value and subtracts the balance owed. For example, if your home is appraised at \$100,000, your lender may assess 75% of that value, which would be \$75,000. If you have \$40,000 left on the mortgage, your potential credit would be \$35,000.

The percentage determined by your lender is based on your ability to repay, income, debts and credit history. With either type of loan, you are required to pay off the balance at the time you sell your house.



To apply

The application process for a HELOC is simple and takes just minutes. Call or stop by any Heritage Bank and ask to speak to the branch manager, who can help you get started. ●

In order to develop a more environmentally friendly business environment and community, Heritage Bank has developed a group called the Go Green Committee. Below is an interview with Lisa Forsman, Training Manager for Heritage Bank and one of the contributors to the Heritage Go Green Committee.



The **Go Green** Committee

Little things mean a lot

Here are a few suggestions from the Heritage Go Green Committee.

Although a greener lifestyle may seem like just a fad, there are actually many cost benefits that can save homeowners hundreds of dollars each year. Check out these tips on how you can save the environment while also saving money.

- 1 Install a programmable thermostat to automatically lower the heat or raise the air conditioning temperature at night.

Savings: About \$100/year

- 2 Replace your regular light bulbs with the spiral-shaped bulbs known as compact fluorescents. They use less than a third of the energy of regular bulbs and last ten times longer.

Savings: Bulbs pay for themselves in lower energy bills within months

Look for more go-green ideas in upcoming issues of *On The Money*. In the meantime, for more tips and information visit:

www.energystar.com

www.smartenergyliving.org

www.thedailygreen.com

When was the Go Green Committee formed and what was the inspiration to start it?

The committee was formed in May 2008 based on a desire expressed by several employees to review our current practices and look for opportunities to improve. We also want to share ideas with the community on how to make our company and our homes more environmentally friendly.

What does the Go Green Committee do?

The Go Green Committee looks for ways to reduce waste, encourage recycling, increase energy efficiency, and evaluate earth-friendly purchasing alternatives. The team then helps implement these ideas.

What are the benefits of the Go Green Committee to Heritage Bank customers and the community?

Success in the objectives listed above will yield benefits for the entire community and serve as a model for other businesses attempting to blend environmental efforts with business objectives.

What is Heritage Bank doing to promote the Go Green Committee?

Our quarterly newsletter will begin in the third quarter and be published on our Intranet site for all employees to access. We are also sending email requests to employees asking them to share their ideas. We have already seen this start some great conversations!

Why do you feel that the Go Green Committee is important to Heritage Bank?

Heritage has always been focused on customers and the community. By forming this committee, we will be able to expand our commitment to both in an entirely new way. ●

“ We’re expanding our commitment in an entirely new way. ”



Heritage Bank welcomes Shaun Heuerman

Shaun Heuerman is the epitome of “heritage”. The fifth generation of a farming family, he grew up on a farm near Hanna City and Trivoli. “My family has been in the Peoria area for more than 150 years,” he says proudly. He’s also the second generation in banking, and is carrying on the Heritage tradition of strong community, good relationships and excellent service as he begins his role of Marketing Director for the six bank branches. “As a marketing professional with experience in listening to and understanding the customers’ needs and wants, I can help provide options that fit each customer’s life.”

“Heritage Bank can provide our customers with the best options.”

With previous experience as the Customer Service Strategy and Program Manager for Famous Barr/Macy’s Midwest Division, Shaun is well versed in strategies for developing Heritage’s marketing message. “I understand that customers have many banking options. My philosophy toward marketing as it relates to customers truly revolves around how Heritage Bank can listen to and provide our customers with the best options for them.”

In his new role, Shaun will also coordinate all promotional and media activities, manage the bank’s charitable contributions and sponsorships, and evaluate and develop future marketing initiatives. He knows the importance of listening to the customers. “I continue to hear from customers that the reason they bank here is because of the relationship that we have built with them. Heritage Bank is a long-standing community bank and a strong community partner.”

A graduate of Bradley University, Shaun has been married to his wife, Leah, for more than two years. In his spare time, he enjoys spending time with family and friends, traveling, skiing, and Bradley Basketball. ●

Coming soon to a phone near you!

Heritage Bank continues to remain on the leading edge of technology.

Although customers don’t always see all of these technological advances, our behind-the-scenes innovations truly benefit the customer as they securely conduct their business with ease.

However, we are excited to announce that we will soon be rolling out a new service that customers can experience first-hand ... literally. Beginning in late August we will introduce Heritage Mobile Banking, a service that allows you to access your account information with

a few simple keystrokes on your web-enabled cell phone. In addition to reviewing balances, you can transfer money between your own accounts. Using One-Time Password technology, Mobile Banking is a secure way to access your Heritage accounts.

Although this service is offered by some national banks, Heritage is proud to be one of the first local banks in our community to offer Mobile Banking. We will be sharing more about this service soon, so keep your eyes open. Or ask your branch manager for details. ●



E-Banking Keeping up with you

Heritage offers a full-range of E-Banking services including our conveniently-located ATMs, Visa® Debit Cards, Free Online Banking, Free Online Bill Pay (EZPay) and coming soon – Mobile Banking.

Although Heritage will not charge customers for this service, Mobile Banking does require web access and your phone should be able to receive text messages.*

*Cell-phone provider charges may apply.

Banking with **Heart**

Nearly every Heritage business customer has a unique story of their relationship with the bank. Yet, there's always one common theme – the personal attention they receive from their business banker. Lance Leim, of Heart Technologies, shares his company's past, present and future with Heritage Bank.



Name: **Lance Leim, Vice President, Heart Technologies, Inc.**

Description: **Providing technology-based solutions to customers in the areas of networking, telephony, Internet, fire, security, data cabling and custom software**

Years in Business: **21**

Years with Heritage: **2**

Heritage Bank Business Professional: **Matt Hallam**

Services Used: **Commercial Checking Account, Remote Merchant Capture, Cash Management Account**

Looking out for the customer

"We wanted to work with a bank that offered local decision-making, innovative technology, good account management, a commitment to the community and quality employees," says Lance.

"That's why Heritage Bank seemed to be a good fit. Heritage has a rich reputation, a long-standing history and quality people at all levels. They have a very strong philosophy of giving back to the community. In fact, if you go to any of a number of charitable events in the area, Heritage is there. My opinion is that life is less about how much money you make and more about the legacy that you leave – Heritage lives this out in the number of local organizations they support."

Their business banker, Matt Hallam, demonstrates those Heritage values, and his efforts don't go unnoticed to Heart. "We worked with

Matt Hallam when he was in the local branch of a national bank," Lance explains. "He would always work hard on our behalf, but sometimes decisions were completely out his hands – as well as the hands of others in the Peoria branch. Now that he's at Heritage, he's able to get more done for us quickly. Many of the other local decision-makers are people we see on a regular basis at community events, so there's a strong relationship with individuals throughout the bank."

Matt is always looking out for the best interests of his customers, and Heart Technologies is no exception. "We're a different type of business in that we offer both new construction technology and end-user focused technology solutions. Not everyone would understand that in some ways those are two different business models, but Matt gets it."

Technology, service, values

Lance also values Heritage's knowledgeable staff and the technologies they've implemented over the years. "We use their Remote Merchant Capture system," says Lance. "And because we're 'techies' ourselves, we really appreciate having direct access to their technology team so we can share ideas."

“We wanted to work with a bank that offered local decision-making, innovative technology, good account management, a commitment to the community and quality employees.”

Another service that works well for Heart is Heritage's Cash Management Account, which monitors your account balances and serves as an automatic cash flow management tool.

Lance has some keen advice for anyone with business banking needs. "When you're looking for a bank for your business, get to know the people, define what you want for your business and check out the bank's values. Then see if these things all line up with your company's goals and philosophies. I believe in surrounding yourself with people who share the same morals and ethics that you have yourself. The employees at Heritage embody that." ●



Lance Lelm, Vice President of Heart Technologies, shows Matt Hallam the extensive hardware housed in a separate room at Heart's headquarters in East Peoria.



Technology continues to make our lives easier. Watchdog is a new service designed to do just that ... and it's free!

Watchdog is a notification alert service available for both Business and Personal Online Banking customers. By alerting you to specific transactions, it enables you to protect yourself against fraud and monitor your accounts.

Watchdog

Protect yourself with today's technology

It allows you to create predetermined email notifications for your checking and savings accounts, including:

- Low balance alerts (when your balance falls below a specified dollar amount) – which help prevent insufficient funds
- Memo-posted checking or savings credits and debits (when any credit such as a deposit, payroll, or ATM transactions or Visa® check card purchases have been memo-posted to your account)
- Memo-posted large transactions or wire transfers
- Email notices anytime a check clears your account or just when a specific check goes through
- Messages from Heritage Bank telling you about upcoming events, closings or other pertinent information

To learn more about Watchdog or to sign up for this free service, go to www.heritage-bnk.com and click on the Watchdog homepage section. Or, if you're not yet an online banking customer, go to the Online Banking box, select Demo or Sign-Up. ●



Get the most out of your credit score

Give yourself a little credit!

Whether you're financing a new home, buying a car or applying for a credit card, lenders want to know how your credit stacks up.

Your credit score tells lenders how big of a credit risk you are, and determines how much money they'll lend you and at what interest rate.

What's your score?

Developed in the late 1950s by Fair Isaac & Co. Credit (hence the name FICO score), credit scores have become widely accepted by lenders as a reliable method of predicting the liability of borrowers. The three credit bureaus look at your bill paying history, how much you owe, how long you've used credit, how often you've applied for it, and what types of credit you have or have used. Those factors equal a number between 300 and 850, and the higher the better. Credit scores can be ordered through the three main credit bureaus, Equifax, TransUnion and Experian.

How to contact the credit bureaus:

Equifax
800.685.1111
www.equifax.com

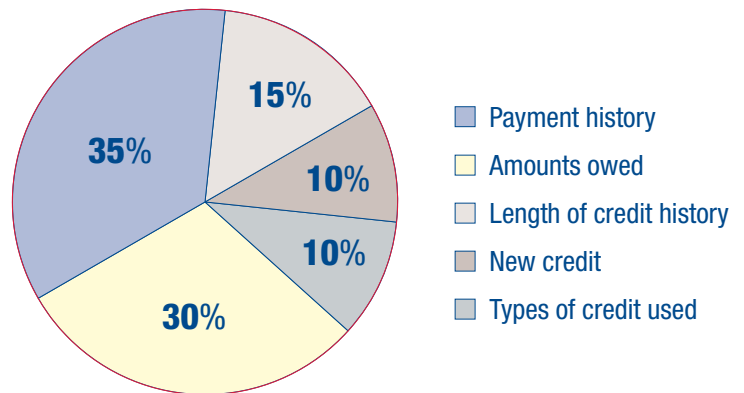
Experian
888.397.3742
www.experian.com

TransUnion LLC
888.322.8228
www.transunion.com

How to obtain a report

A credit report is different than a credit score. Credit scores are calculated by using the information in your credit reports, which include your credit accounts, how many times lenders have requested information about your credit, and how many times an account of yours has been turned over to a collection agency. You can (and should) obtain a

What makes up your credit score?



credit report free of charge every twelve months from annualcreditreport.com. Don't be fooled by the website freecreditreport.com. In order to receive a "free" credit report, you must sign up for a monitoring service for \$12.95 a month.

How to raise your credit score

It takes time to raise your credit score, but it can be done. Make sure you

pay your bills on time, as delinquent payments have a negative impact on your score. Be aware that paying off a collection account does not remove that blemish from your credit report for seven years. Keep balances low on credit cards and other revolving credit. Pay off debt, and avoid opening up new credit cards that you don't need just to increase your available credit. ●





Getting the OK to buy saves time and money

The Advantages of Pre-approval

Pre-approval is the process by which a potential homebuyer secures a guaranteed mortgage approval before making an offer on a house. It is usually contingent on a certain time frame and appraisal value for which you qualify. Pre-approval involves a more detailed review of the borrower's information and credit report. Unlike a pre-qualification, which is an informal estimate of how much financing a potential borrower might expect to obtain, a pre-approval is a lender's decision to extend credit to that borrower. It's based on your employment, the source of your down payment, and other aspects of your finances.

John Lofgren, Heritage Bank Mortgage Consultant with over 30 years experience in mortgage lending says that today, most home sellers and realtors won't accept an offer to buy without a pre-approval letter. He adds, "It also allows the buyer to see their credit score as well as the amount they qualify for."

Getting pre-approved has a number of advantages:

- It allows you as the homebuyer to view only those homes you are qualified to purchase.
- It increases your negotiation power, since sellers have the peace of mind of knowing that you're pre-approved for a loan.
- You'll enjoy a more rapid closing period, because your loan application will have already been processed and appraisals can be ordered immediately.
- It minimizes the house hunting anxiety because you know exactly what you're qualified to buy.

Carol Fliginger, Heritage Bank's Mortgage Sales Manager, says that Heritage takes the pre-approval process one step further than a "yes, you're approved" or "no, you're not". "We keep our customers' financial goals in mind and take the time to evaluate their credit with them once the credit report has been run," she explains. "Our process can at times include credit counseling where we offer suggestions that can help improve their credit score."

"At Heritage Bank, we take pride in offering services that other institutions may feel are too time consuming," Carol continues. "We want our customers to know that they are not just another number here, but are only a phone call away from experiencing that personalized service that Heritage is proud to offer."

Heritage Bank's pre-approval is absolutely free. Contact John Lofgren at 309.682.1483 or Linda Turner at 309.682.1485 to learn more, or visit our website at www.heritage-bnk.com and click on the mortgage button.

**Heritage Bank of Central Illinois
Mortgage Department**

309.689.9991

Pre-approval makes a difference!

John Lofgren has seen firsthand how pre-approval can give you the advantage in getting that house of your dreams. He recounts a story of two homebuyers who recently made simultaneous, identical offers on a house, a practice that happens frequently in the home buying market. "One of the buyers was pre-approved, and the other was not. The house went to the people that had taken the time to get pre-approved because the sellers felt confident that the buyers had the means to make the purchase. The realtor also knew that since the pre-approval came from Heritage that the loan would be expedited easily and efficiently."





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Inside...

- Home Equity Line of Credit
- Going Green
- Banking with Heart
- Coming Soon to Your Phone



Your family. Your business. Your future.
We provide financial solutions for life. *Your life.*

www.heritage-bnk.com

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East Peoria

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