

# SBC UPDATE

Third Quarter 2007 – A quarterly publication by State Bank of Countryside  
“The Family Owned Bank for Families and Their Businesses”

## Tom's Thoughts... By Thomas P. Boyle, President

### IT IS A GOOD TIME TO BUY A NEW HOME

Not too many months ago I wrote about the economy and the uncertainties it faced. In general, the economy is faring better than most expected. The only exception is the housing market. Thankfully, the weakness in the housing market has not spilled over into other sectors of the economy. With this in mind, I want to share with you why I believe now is a good time to buy a new home.

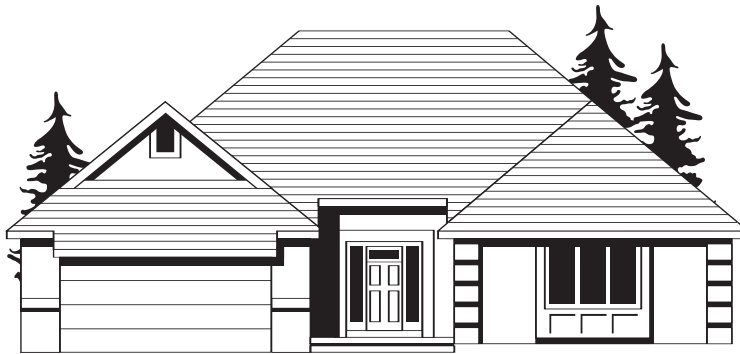
The housing boom of 2004-2005 was stimulated by the financial markets offering easy credit and the promise of rapid appreciation. This created an overproduction of housing units. At the same time, homeowners put their homes on the market with hopes of achieving top dollar prices. All this created a historic high housing inventory. The market remains unbalanced with supply exceeding demand. Homebuilders are well aware of the plethora of options available to buyers and thus are ready and willing to negotiate a reasonable offer. As smart businessmen and women, homebuilders are eager to sell.

Here in the Midwest and particularly in the Chicagoland area we have not seen a fire sale of home prices. Prices have softened but have not been slashed. Instead of lowering prices, builders in the Chicagoland area are willing to include upgrades, extend warranties and complete build-outs such as basements and/or entertaining rooms. The builders' motivations for offering these upgrades is to maintain price stability — keeping prices elevated has a positive effect on future home sales.

The media has often criticized the mortgage lending market for relaxing traditional lending standards. Frankly, much of their criticism is warranted. Home ownership is a privilege: only those who meet certain criteria should be granted a mortgage - as delinquencies, defaults and foreclosures only slow down the system for future years.

An upswing in the housing market is crucial to our economy's recovery. The building of new homes stimulates local economic conditions with workers putting their wages back into the economy. Furthermore, new homeowners buy furniture and appliances creating a rippling effect for all aspects of the economy.

In summary, the positive reasons for buying a new home are the abundance of choices, reasonable prices with many extra incentives, and the attractive cost of financing along with the allure of having a new home with no maintenance issues for years to come. We at the State Bank of Countryside believe that there will be stable rates throughout the rest of 2007, and that the housing market will rebound in 2008. The special prices and incentives that we see now may be gone until the next housing slump comes along. It never pays to wait when one finds the right home. Mortgage rates, currently at an attractive mid 6% range, are readily available at the State Bank of Countryside by calling Dan Dunton at 708.485.9981.



# YOUR CREDIT SCORE

A credit score is a number that helps lenders and others predict how likely you are to make your credit payments on time. Each score is based on the credit-related information on your credit report. For most kinds of credit scores, a high credit score indicates strong creditworthiness, which qualifies a borrower for better interest rates and lower monthly payments for credit cards, auto loans, mortgages and other kinds of credit.

There are many types of credit scoring systems that have been created by independent companies, credit reporting agencies, and even some lenders. The most commonly used scoring system is the FICO® score developed by Fair Isaac Corporation, a California-based company that developed the first credit score. FICO scores range from 300-850, and most people score in the 600s and 700s (the higher the FICO score, the better). In the eyes of most lenders, FICO credit scores above 700 are a sign of good financial health, while FICO credit scores below 600 indicate potential high risk.

There are five main categories of information that FICO scores evaluate:

- **Your Payment History:** Late payments, bankruptcies, and other negative items can hurt your credit score. But a solid record of on-time payments helps your score. (35% of FICO score)
- **How Much You Owe:** The more you owe compared to your credit limit, the lower your score will be. (30% of FICO score)
- **Length of Your Credit History:** A longer credit history will increase your score. However, you can get a high score with a short credit history if the rest of your credit report shows responsible credit management. (15% of FICO score)
- **New Credit:** If you have recently applied for or opened new credit accounts, your credit score will weigh this fact against the rest of your credit history. (10% of FICO score)
- **Other Factors:** Several minor factors also can influence your score. For example, having a mix of credit types on your credit report – credit cards, installment loans such as a mortgage, and personal lines of credit – is normal for people with longer credit histories and can add slightly to their scores. (10% of FICO score)

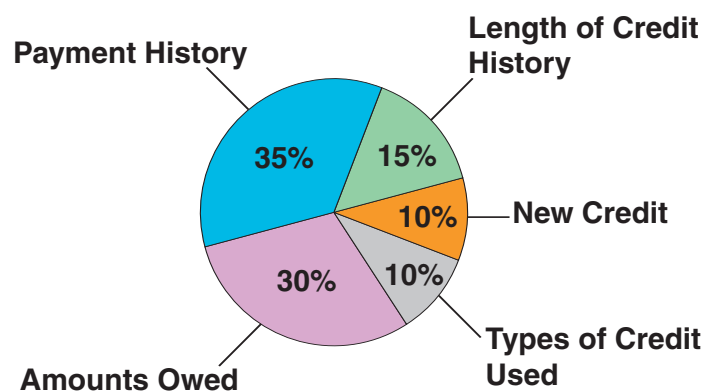
The best way to raise your FICO score is to manage credit responsibly over time. Raising your score takes time and there is no quick fix to do it. Here are some additional tips for getting a better FICO score:

- Pay your bills on time. Pay at least the minimum amount due. If possible, pay more than the minimum amount. The longer you pay your bills on time the better your score.
- Keep credit card balances low. High outstanding debt

can affect your score.

- If you have been managing credit for a short time, don't open a lot of new accounts too rapidly. New accounts will lower your average account age, which will have a larger affect on your FICO score if you don't have a lot of other credit information.
- Re-establish your credit history if you have had problems. Opening new accounts responsibly and paying them off on time will raise your FICO score in the long term.
- Note that closing an account on which you previously missed a payment doesn't make it go away. A closed account will still show up on your credit report and will be considered by your FICO score because it reflects your past credit pattern.
- Set a budget and stick to it. Developing a financial plan will help you keep your finances in order. Don't spend more than you can afford, and don't reach your credit limit or "max out" your cards.
- Evaluate your credit report annually. Your credit report illustrates your credit performance so it needs to be accurate.

It's now easy to get your credit scores to check your financial health. For most scores, you will need to pay a small fee. You also will be asked to prove your identity to make sure your financial information isn't given to the wrong person. You can obtain your credit score from each of the credit reporting agencies (Experian, Equifax and Trans Union) by calling 877-322-8228 or going to [www.annualcreditreport.com](http://www.annualcreditreport.com). You can also get your score at [www.myfico.com](http://www.myfico.com). Your FICO score will not be affected if you order your credit report and score directly from the credit reporting agencies or through an organization authorized to provide credit reports to consumers, such as [www.myfico.com](http://www.myfico.com).



FICO scores are calculated based on your rating in five general categories.

**Source:** Fair Isaac Corporation

# NEW PACKAGING FOR PERSONAL CHECKS

Starting in late summer, your personal checks will be mailed in all-new packaging. Our check supplier, Deluxe, worked with the U.S. Postal Service (USPS) to develop a package that complies with new USPS automated bulk mail requirements. This means a flatter, more streamlined package that will keep mailing costs to a minimum while still providing the quality and security you have come to expect.

Rather than a cardboard outer carton with the check box inside, your checks will now come in a blue outer wrap. The package will also include a flat, easy-to-assemble storage box designed to hold your checks. Be sure to

place the check fillers in the box in consecutive order, with lowest number on top. To see a video file illustrating the new packaging and easy-to-assemble inner storage box, visit the News page of our website at [www.statebankofcountryside.com/i\\_news.htm](http://www.statebankofcountryside.com/i_news.htm)



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# HOMER GLEN GROUNDBREAKING CEREMONY

On Thursday, June 28th, State Bank of Countryside (SBC) held a Groundbreaking Ceremony for its new branch in Homer Glen, located at 15980 S. Parker Road (at the corner of 159th and Parker Road). Members of SBC Executive Management, Members of SBC's Board of Directors and Homer Glen city officials all took part in the special event. State Bank of Countryside is excited to bring its dedication of personalized service to the Homer Glen area. Our Homer Glen location will be open for business in December 2007.



*Our Homer Glen location is scheduled to open at the end of this year.*



*From left:*

*Homer Glen Mayor Jim Daley,  
SBC Executive Vice President Nancy Lind,  
SBC President/CEO Thomas P. Boyle,  
SBC Chairman of the Board Mary Alice Wheeler,  
SBC Board of Director/Controller John Wheeler, and  
SBC Executive Vice President Sandra Borkovich.*

# SBC SUPER

# SLEUTH

## SBC CAFÉ

On my last visit to State Bank of Countryside (SBC), I saw some customers wearing SBC Café T-shirts. I had never heard of SBC Café so I walked over to a Financial Counselor to ask about it. Here is what I found out...

**SSS** – What is SBC Café?

**SBC** – We are inviting you to learn more about SBC Internet Banking and SBC Billpay. We'll help you sign up, we'll teach you to use it, and we'll even set up your Billpay Accounts\* for you. There will be free coffee and cookies while you wait. Plus, you will receive a FREE gift. It's a little something we call SBC Café.

**SSS** – That sounds good. What is the free gift?

**SBC** – If you sign up for SBC Internet Banking, you will receive a FREE SBC Café T-shirt!

**SSS** – What if I sign up for both SBC Internet Banking and SBC Billpay?

**SBC** – If you sign up for both SBC Internet Banking and SBC Billpay, you will receive your choice of either a FREE SBC Café T-shirt or a FREE Leather Portfolio. Plus you will be entered into a Customer Drawing for a \$200.00 Visa Gift Card. The Drawing will be held in January 2008.

**SSS** – Is there a monthly fee for SBC Internet Banking or SBC Billpay?

**SBC** – No. SBC Internet Banking and SBC Billpay are totally **FREE!**

**SSS** – I can't wait to sign up!

**SBC** – But that's not all. From June 1 through December 31, 2007, we will credit **\$5.00** to your checking account\*\* each month you use SBC Billpay to pay 5 or more bills during your statement cycle.

**SSS** – You will pay **me** to pay my own bills?? Great!! How do I enroll in SBC Internet Banking and SBC Billpay?

**SBC** – You can stop by any SBC location to enroll or you can enroll at home. If you enroll at home, just bring this newsletter to any SBC location after enrolling to receive your free gift.

**SSS** – How do I enroll at home?

**SBC** – To enroll at home, go to our website at [www.statebankofcountryside.com](http://www.statebankofcountryside.com). Click on the left button labeled Online Banking. Next click on the first link that is titled Log In. On the right side of the screen you will see a link for sign-up. Click on this link to begin the enrollment process. You should now be on the Personal Online Banking Enrollment page, which gives instructions to finish the enrollment process for both consumers and businesses.

**SSS** – Is there a number I can call if I need help enrolling?

**SBC** – Yes, just call our Personal Banking Department at 708-485-9272.

**SSS** – Where can I go for additional information about SBC Café?

**SBC** – For additional information about SBC Café, visit our website at [www.statebankofcountryside.com](http://www.statebankofcountryside.com) or contact a Financial Counselor at any of our locations.

**SSS** – Thanks for answering all of my questions. I am going to enroll right now!

\*Must wait 24 hours after enrolling in SBC Billpay to allow for processing. Please call your local SBC branch to make an appointment to set up your bills.

\*\*For Consumer and Sole Proprietorship NOW accounts, any credit totaling \$10.00 or more in a calendar year will be reported to the Internal Revenue Service (IRS) on a 1099.



**COUNTRYSIDE**  
6734 Joliet Rd.  
(708) 485-3100  
(708) 485-3106 Fax

**BURBANK**  
6053 W. 79th St.  
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(708) 599-9884 Fax

**DARIEN**  
7380 S. Route 83  
(630) 655-3113  
(630) 655-3159 Fax

**ORLAND PARK**  
16250 S. LaGrange Rd.  
(708) 873-1485  
(708) 873-1508 Fax

**CHICAGO**  
3323 N. Clark St.  
(773) 755-2500  
(773) 755-0373 Fax

