

# BRUNING STATE BANK

Your Country Bank Since 1891



Bruning · Hebron · Broken Bow · Holdrege · Kearney



## Growing Up Without...

Looking back, I consider it a privilege to be one of those who grew up "without". That doesn't mean we didn't have enough to eat or clothes on our backs. It meant money to buy nonessentials did not exist. Five cents on a Saturday night was about as far as it went. It's not that our folks didn't want to give us more during the 1930s, but there was no wealth development from 1929 – 1941.

Most people who lived through it will tell you that was the hard times, but when they look back and really reflect, they smile and remark that maybe it was the best of times. Life was simple, people "neighbored", and families were close. Even education was adequate and without all the frills and technology. I've often remarked that many of the people that went to the 8<sup>th</sup> grade that were older than me seemed to have better math skills, and also had the corner on common sense. These hard times seemed to develop a bunch of problem solvers. Each small community had someone who went on to do great things because they had focused on wanting to have a better life than their parents.

I'm not knocking higher education and prosperity. We all appreciate it, but somehow, we seem to forget some of the basics in living and education.

I think it would be good for all of us today to reflect on the benefits of growing up "without". This would be especially true for our people in government who overcomplicate both their jobs and our lives.

Will we all have to go back to "doing without" before we appreciate what we have?

*Banker Frank – Frank L. Bruning  
Board Chairman Emeritus*

*"Sometimes you will never know the value of a moment until it becomes a memory." - Theodor Seuss Geisel (also known as Dr. Seuss)*

## Fall Ag Conference Highlights...

The Nebraska Bankers Ag Credit Conference was held in Lincoln September 7 and 8. I thought I'd relay what I feel were some of the high points from some of the speakers at the meetings:

Kevin Van Trump, writer of the Van Trump Report, stated that technology and oil exploration has improved so much that the US is basically energy independent and break-even on oil prices is below \$10 per barrel. Since ag inputs are tied to oil, this should help reduce input costs. But for farmers, the downside of the low oil price is that it puts pressure on ethanol prices and demand.

Van Trump also informed us that, unlike in years past when markets were driven by fundamentals (like supply and demands, the value of the dollar, etc.), most markets are now traded based on algorithms, which is basically a step-by-step procedure for problem solving, generally utilizing a computer.

The traders in today's world are becoming more "math majors" versus ag or business-trained marketing people. Therefore, markets are more fluid, and can move up or down even if the fundamental "oversupply" tells us it won't. His advice was that corn, wheat, and soybeans can go up in price unexpectedly, and when that takes place, one should take action.

As another marketing speaker advised, when the market moves 10%, the crop needs to be sold. When prices take off, and trades don't know why, you should market during the "run-up"; that is, "shoot while the ducks are in the air", to use a hunting metaphor.

Technology is deflationary, as computer power doubles about every 18 months, as we keep adding precision planting, spraying, irrigating, fertilizing, etc. Each new technology usually adds bushels to the mix. It is said that if Henry Ford had asked his customers, they would have told him they want a faster horse. This second speaker also believes that farmers that resist change or don't keep up with technology changes will exit the farming sector by retirement or through just getting out.

Regarding Farm Policy, the farm bill is up for debate and renewal. Grain farmers will probably receive less in government payments. Speakers were saying that land values are falling, and that rents should follow downward. The good news is that unlike the 80s, interest rates should remain relatively low. But brace yourself for continued low commodity prices, and keep your working capital strong.

*Fred D. Bruning –  
Chief Executive Officer*

*"This is the slowest day to live the rest of your life" – Kevin Van Trump*

# Jerry's Journal...

Jane (Bruning) Tonniges, shareholder and longtime Bruning State Bank Board of Director Member sent several employees a synopsis of the 1963 book "A Business and Its Beliefs" written by Thomas Watson Jr. that gave an unprecedented look inside International Business Machines (IBM). This blast from the past is almost, only almost, as old as I am. The value and lessons from that book are still very relevant today, I only wish I could be as well!

For my part of the bank newsletter, I thought I'd share a few excerpts and comments that inspired Jane to share with us and why she and I agree that our beliefs make us Bruning State Bank.

*"Consider any great organization — one that has lasted over the years — I think you will find that it owes its resiliency not to its form of organization or administrative skills, but to the power of what we call beliefs and the appeal these beliefs have for its people. This then is my theses: I firmly believe that any organization, to survive and achieve success, must have a sound set of beliefs on which it premises all its policies and actions. Next, I believe that the most important factor in corporate success is faithful adherence to those beliefs. And finally, if an organization is to meet the challenge of a changing world, it must be willing to change everything about itself except those beliefs as it moves through corporate life."*

*In other words, the basic philosophy, spirit and drive of an organization have far more to do with its relative achievements than do technological or economic resources, organizational structure, innovation and timing. All these weigh heavily in success. But they are, I think, transcended by how strongly the people in the organization believe in its basic precepts and how faithfully they carry them out." - Thomas Watson Jr. former Chief Executive Officer of IBM.*

Bruning State Bank and really every industry in the United States of America are in a constant and ever-increasing pace of change. The fashionable or buzzword word in banking is "disruption". We are certainly seeing disruption from government regulations, non-tax paying competition, and technology and economic cycles, to name a few.

Yet, our guiding "beliefs" have allowed us to stay in business and grow during some turbulent times:

1. Empower our employees through training and education, and providing them with the tools they need to best serve our customers.
2. Building relationships with customers based on integrity and mutual responsibility to help them achieve financial success.
3. Contributing to our communities through philanthropy and service.
4. Respecting our history and being good stewards of our family banking heritage.
5. Embracing our future by adopting new technologies and assisting all generations to build, maintain, and transfer their wealth.

These beliefs have formulated our culture, and as Mr. Watson Jr. described in his 1963 book, it must inspire our people to live that culture. In October 2017, we're providing "Effective Leadership Training" to most of the staff. Our goal is to stay true to our beliefs and strengthen everyone in the bank to insure our ability to battle through all the disruptions as we make necessary changes.

Thanks to Jane for sharing the Watson article and for the Bruning family's commitment to making Bruning State Bank better.

*Jerry Catlett –  
President, Chief Operating Officer*

## How Big is Huge?...

This past August, Apple Inc., the maker of the iPhone, iPad, and many other electrical devices, announced its quarterly earnings. On this specific day in August, the stock price of Apple Inc. went up \$7 per share. A \$7 share increase, in one day, doesn't seem too big. But in reality, this increase was HUGE!

What did that \$7 per share price increase translate to?

- Apple Inc.'s value increased \$48 billion from the previous day.
- That one day increase is worth more than Deere & Company's entire market value.

Let's put this \$7 per share increase into a perspective that is near and dear to our hearts...agriculture. The United States will produce around 14 billion bushels of corn this year. For simplicity purposes, let's say corn is worth \$3/bushel. The United States corn production would be worth \$42 billion. The United States total corn crop valuation for 2017 is \$6 billion less than what Apple Inc.'s valuation went up in one day!

Agriculture producers feed the world and Apple Inc. is a large contributor to the world of technology. You wouldn't think so, but these two worlds are colliding! It is fascinating to compare a dollar of technology against a dollar of agriculture. More and more of agriculture is becoming dependent on technology. We see this in the equipment farmers/ranchers purchase. We see this in the banking industry by how technology helps a farmer/rancher keep track of income and expenses to provide a more accurate financial plan to their loan officer to see if their operation made money or not.

I'm not sure farmers/ranchers have seen the kind of increase that Apple Inc. had that day in August, but it does make you wonder if technology can make agriculture more efficient so bigger profits can be realized?

*Jim Scott –  
Broken Bow Senior Vice President*

# **Economic Development in Phelps County...**

The citizens of Holdrege voted to continue allocating one half of one cent in sales tax to economic development. This portion of the sales tax is also known as LB840 and is administered by the Phelps County Development Corporation (PCDC). On August 29th BD Construction hosted a ground-breaking ceremony for the first tangible project being built. PCDC secured the property with LB840 funds and Bruning State Bank was fortunate to be a partner in bringing new rental units to Holdrege.

PCDC works with a number of partners to promote and bring a variety of programs designed to grow a vibrant economy for Phelps County. When you visit their website at [www.phelpscountyne.com](http://www.phelpscountyne.com) you will find their initiatives listed as GO! Programs in the 'About Us' tab. Here are a few examples:

The Down Payment Matching Grant Program is administered by Phelps County Employers in partnership with PCDC. If you are employed in Phelps County, and are not a current resident, this program may provide you with assistance in purchasing a home in Phelps County. So far this year, two new families with school children are moving to Holdrege.

The High Demand Job Scholarship is administered by the Phelps County Community Foundation in partnership with PCDC. To ensure local employers have a skilled workforce, these scholarships are offered for training in high demand jobs. Local youth can apply for scholarships in this program which provides a reward for returning to work for Phelps County businesses. So far, this program has awarded \$98,500 in scholarships to 40 recipients. There are 33 students currently in school and seven graduates have come back home to work and reside in Phelps County.

Continuing downtown revitalization, the First Impressions Grant Program is administered by PCDC in partnership with existing building owners. Applications are accepted to restore and renovate existing Phelps County buildings in need of exterior updates. There are three renovation projects approved and three applications under review.

These are just a few of the programs being promoted by PCDC. In partnership with local lenders there are a variety of loans to help start-up or existing businesses and to address Phelps County's housing issues.

Bruning State Bank will partner with PCDC on projects that fit our culture and help and improve our community.

*John Boehler - Holdrege President &  
Michele High - Ag/Commercial Loan Officer,  
Holdrege Branch*

# **Consumer Fraud Hits Home...**

Recently, an elderly family member of mine received a telephone call from a person stating they were from the Social Security office. The person on the telephone asked him how he was doing and wanted to verify his personal information.

Needless to say, our family member cooperated and gave them the information they asked for. Time passed and I discovered he didn't receive his automatic monthly social security deposit to his checking account. Since I have Power of Attorney for him and handle his finances, I called the Social Security office to ask what happened to his automatic social security deposit. I was told they don't recognize Power of Attorneys and I would need to be designated "Representative Payee" for him in order for them to discuss anything involving his account and the process takes about 3 weeks (if everything goes right). When I asked about making an appointment, I was told it would be 6 weeks but I could take my chances as a walk-in between the hours of 9 a.m. and 4 p.m., which I did to get the process started.

The Social Security Office representative I spoke to said this is becoming a popular scam among the elderly with social security funds going to debit cards. After 90 days or so, I finally received the first of three stolen social security payments and hope the remaining two will arrive soon.

For those of you with a Power of Attorney for an elderly person and handling their financial affairs, I strongly urge you to obtain a "Representative Payee" designation from the Social Security office, so you will be able to discuss with them the individual's social security benefits. As Representative Payee, you will be required to report annually to Social Security how the individual's monthly benefits were spent.

Please remember – the social security office or bank will never "call" you to verify your personal information such as date of birth, social security number, mother's maiden name, and birth location.

*Craig Pope –  
Hebron President*

**In observance of the following holidays,  
all BSB locations will be closed on:**

**Monday, October 9th  
Columbus Day**

**Thursday, November 23rd  
Thanksgiving**



# **Maneuvering Through Uncertain Times...**

There are many articles out there on the farm economy. You can get 10 different answers just by reading 10 different articles. The only thing which is certain is nobody knows for sure what is going to happen.

The “glass is half-full” prophets will talk about global growth, and the third world countries becoming modernized, creating a huge future demand for commodities. They will talk about efficiencies of technology, and how this will allow you to produce more at less cost.

The “glass is half-empty” prophets will talk about the world grain supply being too large for the demand, now and in the future. They will talk about the demise of the ethanol industry, and how this will drive prices down far below the cost of production.

The thing is, they may both be right. We may be over producing in a world of ever-increasing competition and wavering demand. They may be correct about technology totally changing the landscape of agriculture, and world demand will create great opportunities in the future.

The only thing I know is we have gone through cycles in the past, we are going through a negative cycle now, and it may get a lot worse before it gets better, but it will get better. When it does, the opportunities will be there to allow you to prosper as in the past.

Producing ag commodities below the cost of production doesn't work, long term. Having said that, someone will have to produce the food that feeds the country. I don't think any clear-thinking leader is going to want to have to rely on imports from other countries to feed America.

We have an economic revolution (if you want to call it that), which usually takes place when we go through an extended down cycle. The least efficient don't survive. This makes way for the more efficient and innovative operators to expand and prosper. This process has taken place since the beginning of automation, and will continue on into the future.

For the farmers who are planning on continuing to farm for the next 10 to 30 years, they will need to find a way to hold their equity together, so they will be in business when the farm economy improves. It may not be pleasant for a while; you may have to do some things you don't want to do, but it will allow you to position yourself to be sustainable into the future.

I don't know what that future looks like, but it will be different than it is today. Nor do I know what you will have to do to be successful in the future. Just remember that you are going to make some mistakes, learn from them and move on. You have people who depend on you.

*Darrell Raum —  
Chief Credit Officer*

## **Did you know...**

Bruning State Bank has had a trust department for over 26 years! As our Bruning State Bank mission statement is to help our customers “Build and Maintain Wealth”, a Trust Department fits right in. Some of the services we offer include administering trusts, serving as power of attorney, personal representative, 1031 exchanges, and farm management. We have trust representatives in four of our five branch locations, all looking forward to meeting and working with you on your financial needs.

From our Farm Management perspective, we think landlords may be interested in a program offered by the Nebraska Department of Agricultural that offers State Income Tax Credits for renting agricultural assets to a “Beginning Farmer/Rancher”. There are many facets to this opportunity, and certain requirements must be met, but for the beginning farmer/rancher, there is a tax exemption for personal property used in ag production. Advantages for the landowner include a refundable tax credit on a percentage of the rent on agricultural assets, including land, crops, cattle, farm equipment, grain storage, irrigation, and even on livestock facilities.

If you have an interest in this program, please contact the Nebraska Department of Agricultural State Income Tax Credit Program for more information. For landowners looking to help a young farmer or rancher get started, this may be a way to increase your retirement income, while “paying it forward” to the next generation.

*Trust Department*

## **Upcoming Educational Opportunities**



Dr. David Kohl is a world renowned speaker and educator from Blacksburg, Virginia. He received his MS and PhD degrees in Ag Economics from Cornell University. He taught for 25 years at Virginia Tech University and is currently Professor Emeritus there. His work includes four books, 1,500 articles, and over 6,000 workshops and seminars!

Take advantage of these opportunities to hear about the latest in the ag industry from an expert:

**Thursday, December 7th – Bruning, NE**  
Sponsored by Farmers & Ranchers College, along with donations from Bruning State Bank, UNL Extension, and area agri-businesses.

**Friday, December 8th – Holdrege, NE**  
Sponsored by Bruning State Bank.

Watch for more details on these exciting, cutting-edge programs.

# **Home Sweet Home...**

Hurricane Harvey has done major damage in the Houston area, Hurricane Irma (at the time of this writing) is approaching Florida, and there are fires in California, Oregon, Washington and Montana! How devastated would you be if you lost your home in a fire, tornado, or other disaster?

For many of us, our home is our castle! It is crucial to avoid being underinsured. To protect this major investment from disasters, home insurance coverage should be reviewed and updated regularly to include adequate coverage for improvements, major purchases, and increased materials and labor costs.

## Do you have enough insurance to rebuild your home?

Purchasing enough coverage to satisfy a mortgage lender or insuring your home for assessed value will not provide the coverage needed to rebuild your home. Your home needs to be insured at today's costs for building materials and labor. Insuring your home for anything less than 100% of value could mean you wouldn't have enough coverage to replace your home in the event of a total loss.

Keep in mind that the standard home insurance policy will not provide coverage for damage caused by floods. Flood insurance is very important if you live in a flood plain.

## Could you replace all your possessions?

A person doesn't realize the value of all their possessions until they have to be replaced. Would you be able to recall all the items in your home if they were all lost? The best way to determine the value of your personal possessions is to conduct a home inventory, detailing everything you own with estimated cost to replace these items. Make sure you have enough coverage so you can put your life back in order after a claim. Replacement cost coverage on your personal property is recommended to avoid depreciation at claim time.

Also, you might want to consider specifically scheduling items such as valuable jewelry, furs, arts, antiques, computers, electronics, and guns, etc.

## Do you have enough insurance to protect your assets?

Although this is not a key element in disaster planning, it is important to have adequate liability protection. This covers you against lawsuits for bodily injury and property damage that you or your family members may cause to other people. It also pays for damage caused by your pets. Liability insurance pays for both the cost of defending you in court and for any damages a court rules you must pay – up to the limits on your policy.

An excess liability or umbrella policy will provide additional liability coverage over and above what is covered by your home, auto, or farm policy.

Making sure you have the right insurance coverage can help protect your assets.

We're happy to review your current coverage and discuss additional options. Just give us a call or stop by our office!

*Kathy Roberts, Brian Hulse,  
& Kristen Monteforte—  
Insurance Agency*

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# **Equifax Breach...**

You have no doubt heard that Equifax, which is a major credit reporting service in the U.S., had a large breach in the past few months. The number of customers affected, estimated at 143 million Americans, is staggering. We've had many customer questions about what to do and where to turn. Here are some helpful tips:

- Equifax has set up a website where you can put in some of your information and find out whether they think your information was involved in the breach. Go to [www.equifaxsecurity2017.com](http://www.equifaxsecurity2017.com) and click the Potential Impact link. You can then follow some simple steps and find out if your information was involved or not.
- If your data was impacted in the breach, Equifax has a free service to enroll in called TrustedID. They provide this service to help you protect yourself, if you so wish to take this step.
- Keep in mind that criminals understand the longer they wait to use this information, the more likely they are to be successful with it. This is why you should monitor all of your accounts on an ongoing basis, whether you were breached or not.

## *Customer Service*

# **Open Enrollment**

## **Health Insurance**

*November 1, 2017 – December 15, 2017:  
Open Enrollment Period for 2018 for coverage  
starting January 1, 2018*

## **Part D – Prescription Drug Coverage**

*October 15, 2017 – December 7, 2017:  
Medicare Part D (Prescription Drug) Open Enrollment  
Period for 2018*

## **Prescription Drug plans need to be reviewed EVERY year!**

Make sure you have the best plan for your needs.

The plans change every year including:

- Monthly premiums
- Deductibles
- Co-pays
- HOW and WHAT medicines are covered

Contact us to review your Health Insurance Coverage  
and/or Medicare Part D Coverage.



**Kathy Roberts & Brian Hulse  
Insurance Agents**

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# **IRS Required Minimum Distributions (RMD)...**

It doesn't seem like we're approaching the 4<sup>th</sup> Quarter of 2017 - its 90° as I'm writing this. Nevertheless, fall is here. And we will start helping people more and more with Required Minimum Distributions (RMD's) and IRA contributions as the end of the year approaches. If you are approaching 70 ½ this especially applies to you.

Leave it to the IRS to create so many rules that it takes books, seminars, and classes to fully understand "Qualified" accounts and the associated RMDs.

The IRS allows Qualified accounts such as 401(k)'s, 401(a)'s, 403(b)'s, 457's, SEP, and SIMPLE IRA's, etc., to grow tax deferred until a taxpayer reaches the age of 70 ½ . Then they want you to pay them some taxes!

Let's say you turned 70 on 2/15/2017. Then 70 ½ is 8/15/2017. You are required to take your 1<sup>st</sup> RMD either by 12/31/2017 or 4/1/2018. If you wait until 4/1/2018 then you are required to take a 2<sup>nd</sup> RMD in 2018 by 12/31. Only for your 1<sup>st</sup> RMD are you allowed to postpone until 4/1 of the following year. Every year thereafter the date is 12/31. If your 70<sup>th</sup> birthday was 9/15/2017, then your 70 ½ date is 3/15/2018 and your 1<sup>st</sup> RMD is due either by 12/31/2018 or 4/1/2019 (again, with a 2<sup>nd</sup> RMD due 12/31/2019 if you wait until April).

The penalty for missing an RMD is steep. 50%! Yep, if you have a \$4,000 RMD due and miss the date, you get the privilege of writing the IRS a check for \$2,000! Plus the tax you owe on the \$4,000 RMD.

The RMD calculation is straightforward. You take your account balance as of 12/31 of the year prior to your RMD (for example, if your RMD is due 12/31/2017, then you use your 12/31/2016 balance). Then you use the IRS life expectancy table (Table III, Uniform Lifetime) to calculate. Simply divide the account balance by the IRS Distribution Period number. For example, if your account value is \$100,000 and you are 70 on your birthday in 2017, then your distribution period number is 27.4, you divide \$100,000 by 27.4 and your RMD is \$3,649.64.

If your spouse is 10 years or younger than you and is listed as the sole primary beneficiary then you may use the Joint Life Expectancy Table that results in a smaller RMD. However, if you have more than one primary beneficiaries than you must use the Uniform Table.

Do you need to take an RMD from your 401(k) if you are still employed by the 401(k) sponsor? The answer is no, you can delay until you stop working. But if you also have a 401(k) from a previous employer and an IRA, you are required to take an RMD from them.

Inherited IRA's have RMD rules depending on if it is a spousal or non-spousal. Generally, the surviving spouse rolls over the IRA into their own IRA and the RMD rules are the same. You are also allowed to take a lump sum disbursement (sometimes makes sense if it's a small account and the tax burden is not an issue), or the surviving spouse may elect to use the 5-Year rule allowing them to take the IRA in a lump sum anytime within

five years or dispersed over the 5 year period. However, the 5-Year rule is only allowed if the original account owner was not already taking RMD's.

When the beneficiary is a non-spouse, there are three choices: (1) lump sum, (2) 5-Year (only if RMD's were not required yet), and (3) Stretch IRA – this option allows the beneficiary to take RMD's each year depending on their age at death of the original account owner.

The IRS has a website [www.irs.gov](http://www.irs.gov), and if you go to the Retirement Plans tab look under "Retirement Plan and IRA Required Minimum Distributions FAQs for more help.

Often there are some good planning discussions to have in order to best strategize your RMD's. Just don't wait until December 31<sup>st</sup> to come in and ask us! There is often 5-10 business days needed to process depending on the type of account (IRA's on the bank side of the business is faster than annuities or securities business). Call us or schedule a time to meet - we are happy to help with your RMD questions.

**David Frook –  
Financial Planner**

Securities offered through Securities America, Inc. Member FINRA/SIPC. David Frook, Registered Representative, Advisory Services offered through Securities America Advisors, Inc., David Frook, Investment Advisor Representative, Bruning State Bank and Bruning State Bank Wealth Management are unaffiliated with Securities America., May Lose Value, Not FDIC Insured, No Bank Guarantee, Not a Deposit, Not Insured by Any Federal Government Agency

## **Welcome...**



Bruning State Bank is excited to welcome Chris McQuillan to our Holdrege team. He grew up in Greeley, NE and began banking in high school as a teller, check filer, proof machine operator, coin wrapper, paper shredder, janitor and maintenance man, etc. at City National Bank, the bank his great grandfather started. Chris worked there during breaks and summers until he was a sophomore in college at UNL. He graduated from UNL with a degree in Business Administration and had the unique opportunity to work for the UNL athletic department for six additional years full-time as an equipment manager outfitting and maintaining equipment for the football, volleyball, baseball, and softball teams.

In 2012, Chris and his wife, Heather, moved back to her hometown of Holdrege where Chris returned to banking in an Ag and commercial lending capacity. They have three kids Lizzie, Max, and Maura, and their oldest kid is a yellow lab, Clancy. In his free time, Chris enjoys doing projects around the house with Heather, playing with his kids, helping his in-laws on the farm, along with playing golf and basketball. He is excited for the opportunity to join the Bruning State Bank team, as the culture is like the small-town bank his great grandfather started in Greeley, where customers and coworkers are like family. Stop by our Holdrege location sometime to say hello and meet Chris!

# **Should I Buy or Rent a Home?...**

Purchasing a home is a big step we take in life. It is a great opportunity to build equity but it also comes with great responsibility. When deciding whether or not it's time to purchase a home, here are few items to consider.

What are your long-term plans? Are you planning on settling down? If you are in a career where you move frequently, renting may be your best option so you are not tied down to a home. Moving is easier without the stress of selling the home, and possibly having two house payments while you wait for your home to sell. If your long-term plan is to stay put, purchasing a home provides the chance to build equity, as well as establish roots in your community.

Do you have the down payment and closing costs needed? When purchasing a home, a down payment is an important part of the equation. Bruning State Bank offers both 20% and 10% down financing options. Having 20% down or more allows you to avoid having to pay Private Mortgage Insurance (PMI). PMI is an insurance policy that the lender purchases to protect themselves in the event the loan goes into default. The borrower assumes the cost of this policy, though it provides no benefit to them.

Down payment funds could come from your savings, or as a gift of cash from family, such as a parent or grandparent if they are able. In situations where you are purchasing a home from family, down payment funds could also come as a gift of equity in the property from the seller.

What are the property tax and insurance costs? Borrowers need to figure the property taxes and insurance into their budget of what they can afford. In the situation of renters, those expenses are the responsibility of the landlord. If you are interested in a particular home, research the cost of property insurance for the home as well as the tax records for the property. This will allow you to figure in the cost of taxes and insurance with your monthly house payment.

It is very important to take your monthly budget into consideration when purchasing a home. In addition to your monthly house payment along with taxes and insurance, figuring home maintenance costs into your budget should be a priority. Homes age and things wear out, so it is important to budget for those items so they can be taken care of properly. Owning a home is an investment, and proper maintenance protects that investment. We also offer Home Equity Lines of Credit as an option that would provide funds using the equity in your home to make repairs or upgrades.

At Bruning State Bank, our home loan department is dedicated to helping our customers navigate the home financing process. Whether it's financing a new home or refinancing your existing home, we will take the time to help you understand your options and find the best solution for your needs.

*Joe Streufert –  
Mortgage Officer (NMLS #894657)*

# **Crop Insurance – Important Reminders...**

We managed to make it through the growing season with only a few storms in our area. Mother Nature finally gave us some much-needed rain in August, but some of the non-irrigated crops still suffered.

Please keep some things in mind at harvest time:

- Keep irrigated crop production separate from the non-irrigated to maintain separate units.
- Production must also be kept separate by section.
- Prior approval is needed if you co-mingle your grain.
- Mark bins to keep production separate by section and practice. Keep load records to assist in calculating bushels in the bin.
- Contact us if you have ANY questions prior to or during harvest. If production records aren't properly maintained, you could lose your separate unit structure – plus – any loss payment could be reduced!
- Call us **right away** if you think you will have a loss so the appropriate loss notice can be submitted.
- Report production when harvest is complete so we can review each unit to determine if there is a loss.
- The end of the insurance period for corn, milo, and soybeans is December 10, so contact us if you can't get the crop harvested by that date.
- The row crop insurance premium was due on September 1. Interest will be added starting October 1.

Also, here are some reminders for farmers that are sowing wheat this fall:

- Any changes in your 2018 wheat crop insurance have to be made by Sept. 30, 2017.
- Final planting date in most Nebraska counties is October 15.
- Final planting date in most Kansas counties October 31.
- Report acres and plant dates by section and practice as soon as planting is completed. Reporting deadline is Nov 15 (NE) – Dec 15 (KS).
- Contact us right away if you think you have a loss!

Please contact us with any questions! Happy harvesting!

*Kathy, Jeff, Shari, Craig, Brian,  
Zach, Janet, & Ryne  
Brunning State Bank Insurance Agency –  
Crop Insurance Agents*

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## **Technology Update...**

When I first started in banking years and years ago, we had a customer that would come into the bank regularly and boast that he had figured out the mysteries of float. He could write a check at a certain place at a certain time and be sure that he would be paid prior to that check clearing his account. He considered himself quite the wizard. I'm sure most of you are familiar with float; at its basic level, it is the time between when you give your check to a person or vendor as payment and the time that the check hits your account. Years and years ago, that timeframe could be fairly substantial, especially if you were sending a check many miles away. The other person's bank would deposit it and it would slowly make its way back to your bank via couriers and airplanes. Throughout the years, float time has slowly decreased due to electronic cash letters and electronic credit and debit posting or ACH (for an explanation of what ACH is, please check out our Tech Term below). Today in the Technology Update we will review Same Day ACH and what it means for your account.

The idea of same day ACH transactions has been around for a while. In my formative banking years, I longed for such a time when we could originate an electronic credit and have it hit the person's account the same day...at least every time we'd have an issue with an electronic payroll file. You may be aware that last year, we were finally able to do same day ACH credits and it has saved many banks and employers time and money on those missed payroll files. This September, however, banks have been cleared to start originating same day ACH debits if they so choose. What this will allow is the ability for a company to debit your account (with your permission) the same day that you give authorization, much like a wire or a debit card

transaction. For instance, let's say I want to pay my utility bill and my provider's bank allows them to do same day ACH. If I called them in the morning and authorized the transaction, it is completely possible that the debit could hit my checking account by the end of the day that same day. We believe usage of this product will be slow at first, but please be aware of it.

As with anything it is important to keep a close eye on your account and to always monitor what is being posted to it. My customer in Clay Center that was the float wizard would be sad to see how things have progressed, but as items continue to post more quickly to your account it is a good idea to use our Online banking with alerts (which will email or text you anytime something posts to your account if you'd like) or Mobile banking, which gives you all of your account information any time of day or night—right on your smartphone. That way you can be an Online/Mobile banking wizard and forget all of this float business.

**Tech Term of the Month: ACH (Automated Clearing House)** - This one is an oldie but goodie, yet as we were creating this article we thought about how many times we use an acronym in banking and just assume the customers know what we are talking about. Automated Clearing House has been around for quite some time and it is every transaction on your account that was originated at another institution that you didn't write a check or swipe your debit card for. Your payroll or Social Security payment may come electronically, that is ACH. Your utility bill, as we talked about above, may automatically hit your account each month at the same time, which is also an ACH. Simply put, it was and is a way for people to transfer money without using checks, cards, or wires.

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