HomeTown Bank N.A. 50th Anniversary 1966-2016
Member FDIC
Galveston • Alvin • League City • Friendswood • Pearland

Newsletter

Volume Issue • October 2016

In This Issue:

HTB's United Way Campaign Kick-Off!

"I slept and dreamt that life was joy. I awoke and saw that life was service. I acted and behold, service was joy."- Rabindranath Tagore

This quote was given to me just before the United Way Kickoff Luncheon. It resonates with me as I think of how helping and serving our communities brings so much joy. As a supporter of United Way, HomeTown Bank and its employees look forward to fall as we begin our fundraising campaign.

We have an absolutely great team of employees that contribute to the United Way. One of the unique ways that we raise money, here at HomeTown Bank, is by giving our employees the option to participate in "theme days" with costumes, games, and contests.

Our campaign this year will be the week of October 31st through November 4th. What will you see at HTB? Lots of festive fun!   Will you be lucky enough to be in the presence of a "Princess" when you visit one of our branch locations? Will a "Pirate" accept your deposit? Come and join the fun as we act on our service and spread a little joy!

And as we always say during this time of year: "Pardon our wear as we are giving our share!"…for United Way!

Stephany Cantu
Vice President
Chair- HomeTown Bank's United Way Committee

Welcome, Lauren Zahniser!

Zahniser Joins Pearland HomeTown Bank

Lauren Zahniser

Lauren Zahniser has been named Assistant Vice President at HomeTown Bank of Pearland.

Zahniser has been in the banking industry for 10 years, beginning as a Teller and working her way up to New Accounts Representative and then Officer at a bank in the Pasadena area.

In her new role at HomeTown Bank, she manages teller and new accounts services for our Pearland Branch.

"I have had such a warm welcoming and I feel really special to be a part of the Hometown family," she said. "It's exciting to join a company that truly values its customers and employees, and I look forward to my future here."

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★★★★★ Five-Star "Superior" rating by BauerFinancial, Inc., awarded September, 2016 ★★★★★

Congratulations, Dana Escamilla

At HomeTown Bank:

Dana Escamilla Promoted To Assistant Vice President

Dana Escamilla

Please join us in congratulating Dana Escamilla, recently promoted to Assistant Vice President at HomeTown Bank.

Dana joined the bank in 1992 as a motor bank teller in Galveston. Soon after, she was promoted to Assistant Teller Supervisor. She left after 5 years to stay home with her son, then returned in 2009 as a Teller at our Friendswood Bay Area location. She now works at our League City office.

When asked what she likes most about being a member of the HomeTown Team, she said she is "so blessed to work with a great team of people and so many wonderful customers."

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Happy Anniversary, Ray Rusk!

Ray Rusk Celebrates 10 Years at HomeTown Bank of Alvin

Ray Rusk, Senior Vice President and Branch Manager at HomeTown Bank of Alvin, is celebrating his 10th anniversary as a member of the HomeTown Team.

Rusk joined the bank in September 2006 to help build and develop the Alvin branch, and he was promoted to Senior Vice President in 2011. With over 35 years of experience in banking, he has served the financial needs of the Alvin area since 1990. Rusk is active in the Alvin Rotary Club, Boy Scouts and the Alvin Chamber of Commerce.

"Over the past 35 years of banking I have to say, without a doubt, that these 10 years with HomeTown Bank have been the most rewarding" Rusk said. "Working in a small town like Alvin with loyal customers, along with the Bank's caring attitude towards them and its employees, has created a sense of 'Family' among all of us."

Ray Rusk
Senior Vice President and Alvin Branch Manager

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HomeTown Bank Staff races The Daily News' Press Run!

Ashley Trevino, Jacklyn Black, Audrey Harwood, Jill Fredo, Elise Worthen, and Racheal Espinosa braved the rain at the annual Daily News Press Run over the Galveston Causeway on September 12th. HomeTown Bank was a proud sponsor of this event which raised money for Newspapers in Education.

Click here for full image.

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NEWSLETTER

Fixed-Rate Versus Adjustable-Rate Mortgages

Acquire the loan agreement that is right for you

When shopping for the best mortgage, knowing the facts will help consumers obtain the right deal for their particular situation. A great place to start is by gaining an understanding of the differences between a fixed-rate and an adjustable-rate mortgage.

Fixed-rate mortgage
These are predictable mortgages with repayment terms usually stretching 15, 20 or 30 years. What makes them predictable? Both the interest rate and the monthly payments – for both the principal and interest portions of the payment – will remain fixed throughout the life of the loan.

Many consumers opt for a fixed-rate mortgage if they are purchasing a new home during a time when interest rates are low. Regardless, some people simply appreciate knowing what their monthly bill is going to be each month.

Adjustable-rate mortgage (ARM)
In comparison to fixed-rate mortgages, adjustable-rate mortgages usually start at a lower rate but that rate is not fixed. Instead, the rate, and therefore one's monthly payment, is determined by changes in an index rate, such as the rate for Treasury securities or the Cost of Funds Index. When the index rate increases or decreases, so does the mortgage rate.

While signing an adjustable-rate mortgage agreement may seem like a gamble, these agreements normally include maximum and minimum rates. Also, recent new restrictions such as the Ability-to-Repay rule, which is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, are designed to help ensure that lenders only offer adjustable-rate mortgages to people who qualify, and not only based on consumers' current income but on their assets as well.

Under the Ability-to-Repay rule financial institutions must follow these regulations:

- Potential borrowers have to supply financial information, and lenders must verify it.
- To qualify for a particular loan, a consumer has to have sufficient assets or income to pay back the loan.
- Lenders will have to determine the consumer's ability to repay both the principal and the interest over the long-term − not just during an introductory period when the rate may be lower. This includes a requirement that lenders consider the loan's "fully-indexed rate," as opposed to just the initial rate.

  According to MarketWatch.com, the fully-indexed rate is "the margin the lender has on that loan plus the index the loan is pegged to."

According to the Consumer Financial Protection Bureau, the Ability-To-Repay rules are a nod to the American dream.

“Consumers should be able to trust the American dream of homeownership without worrying about losing the roofs over their heads and the shirts off their backs,” the Bureau states. “The Ability-to-Repay rule will help ensure that lenders and consumers share the same basic financialincentives – that both of them win when borrowers can afford their loans.”

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NEWSLETTER

Teaching Kids to Be Money-Smart

The money lessons your children should know

When raising your children, it's only natural to want to do right by them. And one way to do that is to teach them essential life skills, like being financially savvy. In fact, many adults run into financial troubles simply because they weren't given any lessons on finances at a young age.

"The majority of the clients we serve always say, 'I wish somebody had taught me this when I was younger,'" says Jessica Cecere, regional president of the South Florida branch of CredAbility, a national nonprofit credit counseling and education organization, who helps clients develop budgets.

That's just one of the reasons it's important to share money lessons with your kids before they have a chance to experience any financial hardships of their own.

"While schools can reinforce these lessons, it really needs to come first from the parents," says Cecere.

Here are some tips to keep in mind when teaching your youngsters to be money-smart:

The earlier, the better - It's best to start a finance discussion when your children are young, before they actually are required to manage their own money.

"When children are 5, 6 and 7, they can't really understand the idea that one day something may happen, and you may need to rely on your savings," says Cecere. "But if somebody has a habit of saving and they always have, they will get that when they need it."

So how do you explain this in terms they can understand?

"Begin by explaining to them why you work—to make money for the family," says Stephen Rhodes, a CFP and managing partner at Strategic Partners Wealth Management in Creve Coeur, Missouri. "Explain to them the reality that the items they use each day all cost money, and you must work to make and save enough to make sure all things are paid for."

Take them on family shopping trips - This may sound like a nightmare if your children are known to throw temper tantrums over what kind of candy they want, but if that's so, it's all the more reason to bring them. Experts suggest trying a farmers market first.

"Send (your kids) to one section of the market with a list of fruits and vegetables that you want and give them $20 to spend," says Cyndi Finkle, a mother and blogger for "Practical and Meaningful." "They will ask questions of the vendors, figure out how much of each thing they can get and start to understand the principles of money."

Avoid the temptation to run to their rescue - When they grow up, they won't necessarily have someone to bail them out if they're low on cash, and that's something they have to learn the hard way.

"If, for example, your child was saving for a big purchase but does not have all the money, don't give in and give it to him or her. Instead, make sure they work for it or, dare I say it, make them wait," Rhodes explains.

"Lend them the money and then explain that when it is paid back, they will have to pay you more," Rhodes suggests. "Helping them to learn the discipline of money management while they are children making only $6 is far better than [their] learning as an adult when they are making $60,000."

Lead by example - Monkey see, monkey do. Chances are, if you practice good money habits, so will your offspring.

"Be a role model," advises Richard Bavaria, Sylvan Learning's senior vice president for education outreach. "Show how you have a savings account, how you shop wisely, how you've put off your own wants until you can afford them comfortably, one at a time. Postponement of pleasure is a grown-up characteristic, learned from grown-ups."

And don't just do it and hope your kid notices—point out your good financial skills whenever you can.

"You have a budget and spending priorities. So should your child," Bavaria says. "Show how you set up a budget and stick to it. If you've had money troubles in the past, tell your child how it made you feel and the difficulties it caused. Talk about your work and how your salary is based on the work you do. Show how your earnings reflect the health of your business and the economy. If your family is enduring a difficult time, find a way to talk about it in an age-appropriate manner."

Offer an allowance—with some rules - Don't just shell out $20 a week for no reason—make your children work for it. Depending on their age, you can give them guidelines like if they make their bed, make the bus for school on time or finish their veggies all throughout the week, they earn the full amount you've allotted them—but if they don't, they get less. You might also tell them that they can use their allowance for whatever they want, but once it's gone, they don't get any more. That will teach them to have their own financial responsibilities, and will also eliminate arguments when your child asks to buy something; you could simply ask them how much of their allowance they have saved. You can make whatever rules you'd like, so long as your child recognizes the value of a dollar.

Teaching children to be financially responsible and money-smart can have a lifelong impact, so get started today.