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CCIM May 2021 Luncheon

Several Meadows Bank team members had the pleasure of attending the CCIM May Luncheon.

Pictured; Eric Colvin, Gina Gentleman, Jeff Rogers, Kari Golden, Adam Gregory (CCIM President) and Tonya Twitchell (Vistage).

CD vs. Savings Account

Figuring out the best way to make your money work for you

Whether you're putting aside funds for a rainy day or a sunny summer vacation, saving money is an absolute must. When it comes to how you save, two of the most popular options are savings accounts and certificates of deposit. The best way to determine which choice is ideal for your situation is to understand the benefits of both.

What is a savings account?

Margarette Burnette, an expert on savings accounts with NerdWallet, writes that a savings account is a great option if you want more flexibility. When you open a savings account with your financial institution, you can access the money as you wish. This makes a savings account particularly helpful for emergency expenses like broken appliances or home repairs.

Some accounts may limit the number of transactions you can make in a month, typically maxing out at six withdrawals. Any withdrawals or transfers thereafter would be subject to a small transactional fee. However, the Federal Reserve System announced an interim change to Regulation D in April 2020 that permits financial institutions to suspend the six-transfer limit at their discretion.

But even at a limit of six withdrawals per month, a savings account is a more liquid option than a CD. The liquidity of a traditional savings account comes at the expense of a high interest rate. Most accounts yield well below one-tenth of a percentage point of interest, though you can earn more interest by opting for a high-yield savings account.

What is a certificate of deposit?

Certified financial planner Justin Pritchard writes for The Balance that certificates of deposit are beneficial if you want to accrue more interest. A CD is a longer-term commitment — when you purchase a certificate of deposit, your money is more or less locked into that account until it reaches maturity. You can make early withdrawals, but you'll pay penalties that can wipe out the advantage of the higher interest rate — unless you can secure a no-penalty CD, which yields a lower interest rate.

According to Pritchard, CDs pay higher interest rates than savings accounts, and they tend to be even higher the longer your term. Maturity terms for CDs range from as little as three months to the typical maximum of five years. With most CDs, you'll earn the same rate of interest for the entire term. Bankrate contributor Libby Wells notes that one exception is a bump-up CD, which lets you opt for a higher rate once over the term if the rate rises.

What is the best strategy for you?

If you're torn on whether a savings account or CDs are right for you, consider the fact that you don't necessarily have to choose. You can easily have both and build a smarter, more diverse savings strategy.

Opening a new savings account is simple, and according to Burnette, most don't require a minimum deposit to start. If you have a larger sum of money to work with, you could opt into a money market account, which functions like a savings account with a higher interest yield. With the advent of mobile banking, it's entirely possible to manage multiple checking accounts, savings accounts, and MMAs.

Supplementing savings accounts with CDs is a great way to get a mix of access to funds and higher interest rates. You can also open multiple CDs to maximize your money's earning potential. NerdWallet contributor Spencer Tierney recommends among other strategies the CD ladder approach, where you divide a sum of money across five CDs with different maturity rates. This allows you to roll interest over into new CDs and have a more open line of access to your funds if you need them.

Diversity is never a bad choice when it comes to saving for the future. If you're looking for ways to get the most out of your money, talk with your financial advisor and craft a plan that will set you up for success.



Community Reinvestment Act Performance Evaluation

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of small business loans are within the institution's assessment areas.
- The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among businesses of different revenue sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Outstanding.

The institution's community development performance demonstrates excellent responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

Meadows Bank designated four assessment areas comprising three whole counties and a portion of one county in the states of Nevada and Arizona:

- Las Vegas Assessment Area – comprised of Clark County, which is wholly contained in the Las Vegas-Henderson-Paradise, Nevada Metropolitan Statistical Area
- Pahrump Assessment Area – comprised of six contiguous non-metropolitan census tracts in Nye County, Nevada.
- Reno Assessment Area – comprised of Washoe County in Nevada, which is part of the Reno-Sparks, Nevada Metropolitan Statistical Area.
- Phoenix Assessment Area – comprised of Maricopa County in Arizona, which is part of the Phoenix-Mesa-Chandler, Arizona Metropolitan Statistical Area.

The complete Performance Evaluation report is available to the public for review at any of the Bank's branch offices.

How to Achieve and Maintain Good Cyber Hygiene

Hygiene is a word that has been used extensively over the past 18 months. We have heard medical professionals in various news outlets talk about how good hand hygiene can greatly reduce the spread of COVID-19, and we have seen signs posted just about everywhere as a reminder to mitigate the risk of infection. This month, we are addressing a different type of hygiene - cyber hygiene.

WHAT IS CYBER HYGIENE

When we talk about cyber hygiene, we are referring to a practice or steps that we take with our computers and/or electronic devices to maintain good system health and improve our online security. This becomes part of a routine to ensure the safety of our digital data, including our identity, and other details that could be stolen or corrupted.

As we look closer at that definition, we note that having good cyber hygiene requires continuous effort, just as we are reminded to wash our hands often to protect against viruses. Constantly taking steps to protect our digital data, will help protect it against computer viruses, including malware and ransomware.

HOW TO ACHIEVE AND MAINTAIN GOOD CYBER HYGIENE

Here are some of the steps we can take to support healthy cyber hygiene. In principle, these steps are not much different than maintaining good physical health hygiene.

1. Doctors say that a healthy diet supports a strong immune system. Likewise, to maintain strong computer system health, whether you use a desktop computer, laptop, mobile device (such as a smart phone or tablet), streaming box or stick, IoT or smart home appliances, apply the manufacturer's updates to the operating system (OS) or firmware as soon as they become available. The same goes for apps that are running on your devices.
2. Certain vitamins or supplements, if taken regularly, may help your body to fight certain viruses. Using anti-virus software (AV) is an important step to block malicious code from infecting your system. When selecting a product to use, research which option is best for you and the type of OS you are running. Meadows Bank does not endorse or recommend any specific AV products.
3. When visiting the doctor, they likely will record your medical history to know what treatment or remedy to prescribe. When it comes to your data, you should keep track of where it is stored. Are you using online data storage, or is everything stored on your local computer's hard drive? If you utilize online storage, is everything in one location, or at multiple sites? For instance, you may have documents and photos stored with different providers. It is important to know where your data is and if a third party that you use has suffered a data breach.
4. Regularly back up your data. If your data is all stored on the local hard drive, you may wish to consider backing it up to a separate external drive or cloud-based storage. Having current back ups of your data is crucial in the event of a system crash, ransomware attack or other event that prohibits you from accessing it. Additionally, testing the backed-up data by periodically restoring it is a good way to confirm the integrity of the data.
5. Just as one avoids areas that have been contaminated to protect their health, having cautious web browsing habits can help to maintain good cyber hygiene. Equally important is being very selective about what you click on within an email (links or attachments).
6. Most people likely would not trust their medical or health care needs to a stranger claiming to be a doctor but who only operates in the dark. Sadly, however, many are falling victim to phone scams of con artists who claim to be from reputable companies in order to gain remote access to the victim's computer system. These strangers operate in the shadows to commit their fraud. Having good cyber hygiene includes not allowing anyone you do not know to access your system, especially when they initiate an unsolicited call and want to perform the operation remotely.

These are just some of the healthy cyber habits to keep your digital data safe and clean. Meadows Bank is committed to protecting our customer's data and bringing awareness to prevailing threats to help you fortify your cyber immune system against infection.

Have Some Summer Fun Without the Worry

Before you head out on your summer vacation with the family, let us know where you're going so that we can update your debit card access. Our Fraud Center is always monitoring your card for unusual access so that we can protect you from any unauthorized activity. Please let our branch staff or our electronic banking department know that you'll be traveling so that we can better protect you.

And don't forget to download our mobile banking app! Our suite of mobile banking products allows you to keep an eye on your account(s), quickly transfer funds, deposit checks, freeze or unfreeze your debit cards, and send instant messages to the bank when questions arise. We also offer customized account alerts that you can receive via SMS text messages or email in real time to provide you with peace of mind that your banking needs are being taken care of while you take care of your family. Check us out in Google Play or if you're an iPhone user, find us in your App Store today!

