



in your Interest

Struggling with Rising Mortgage Payments?

*During the height of the real estate boom, low-interest adjustable-rate mortgages were an enticing option. But the low initial rates of ARMs that were written a few years ago are beginning to reset, often outside of the affordability of borrowers. This has led to an increase in foreclosures across the country – up 55% from last year in the first half of 2007.**

Avoid Trouble

If you have an adjustable-rate mortgage, you might have seen your mortgage payment begin to adjust upward recently. Perhaps you cut some luxuries from your budget at first, and made the higher payment without a problem. But then the car needs repair and the dishwasher breaks down, and little by little, you're getting in over your head.

If unexpected expenses or rising payments are causing you to fall behind, it's best to head things off before they get worse.

We Can Help

If you're saddled with a difficult mortgage and rising payments, North Shore Bank may be able to help. Call us at **(877) 672-4663** to find out more about refinancing to a fixed-rate mortgage. We can help you get back on track. ■

* Source: RealtyTrac.



North Shore Bank Offers Loan Program to Flood Victims

Storms hit Wisconsin in late August, leaving hundreds of flood-damaged homes and businesses in Kenosha and Racine counties. Soon after, North Shore Bank announced our Disaster Recovery Loan program. In this special program, we offer flood victims up to \$10 million in low-interest loans to repair their damaged homes and businesses; those who qualify can borrow up to \$25,000 with a 5% interest rate.

The program is available for 90 days. Those interested in applying for a Disaster Recovery Loan can call us at **(262) 785-1600** or visit one of our Kenosha and Racine county branches:

- Northside – 3911 N. Main St., Racine
- Westgate – 4923 Washington Ave., Racine
- Regency – 5723 Durand Ave., Racine
- Union Grove – 1101 Main St., Union Grove
- Burlington – 116 S. Pine St., Burlington
- Kenosha – 6906 Green Bay Rd., Kenosha



NORTH SHORE BANK

North of Expected®

NORTHSHOREBANK.COM | FALL 2007



Retired? Keeping Afloat When Market Swings Rock the Retirement Boat

Retirees can be a lot like leisure sailors out for an extended cruise. Both have charted their course, packed necessary provisions and anticipate calm waters. Yet, like sailors far from shore during a sudden squall, retirees who don't review their portfolios annually just may find themselves in a pitching and heaving retirement boat when there's a market swing.

How the market moves while you're in retirement can greatly affect your savings and your standard of living. Your task is to keep your financial boat afloat on the choppy seas that market swings present.

Explore Four Strategies to Weather Market Fluctuations

Reassess risk tolerance. Emotional comfort and personal goals are factors in determining individual tolerance for risk. But as you age, you will likely want to assume less risk since you no longer have the leeway of time to ride out unexpected losses. Once retired, where you drop anchor on the risk-tolerance continuum shifts from protecting savings to maximizing income. Revisit your risk tolerance and rebalance within asset classes or cast off holdings where necessary.

Adjust spending. A familiar "formula" has been to limit the first year's portfolio withdrawal to 4% of the total portfolio and then adjust for inflation thereafter. But this model doesn't address individual circumstances such as life expectancy, medical costs and rising taxes; thus, building flexibility into your portfolio is essential. Scrutinize your consumer habits and deep-six the ways you're wasting money. It's likely that you can live contentedly on less.

Minimize taxes. Living in retirement means wisely managing your plan distributions. Consider the tax implications of distributions you take from your 401(k), IRA or other tax-advantaged investments. Understand what portions of these distributions are subject to taxes and factor those amounts into your ongoing budget. A retirement plan distribution may push you into a higher tax bracket; talk with your tax advisor to devise a strategy for tapping taxable and tax-advantaged investments.

Rebalance your portfolio. As you were charting your retirement, you made an asset allocation plan. Over time, market swings may have shifted the original mix of your holdings. Rebalancing brings your portfolio in line with your intentions and helps reduce your exposure to risk. But balancing is only half the task. It's wise to keep on an even keel by diversifying *within* the major asset classes as well as *among* them.

We're Here to Help

Even the best tactics you devised prior to retiring will need to change as the winds shift in retirement. Your North Shore Investment Specialist can help you prepare for safe navigation during market upheavals. Schedule a retirement review today at your local branch. ■

Securities and investment products offered by PrimeVest are:

- Not a deposit
- Not FDIC insured
- Not guaranteed by the bank
- Not insured by any federal government agency
- May lose value



Happy Holidays!

All of us at North Shore Bank hope you take some time to relax, and enjoy the season and spend time with your loved ones. We thank you for your business and wish you and yours all the best in 2008!

Alert: Watch Out for These Scams

It can seem – momentarily – like a dream come true. Out of the blue, you receive a big, fat check in the mail. The letter accompanying it explains that:

1. You've won a lottery in some foreign country. You're supposed to deposit the check, then wire transfer back a certain amount of the money to cover taxes and administrative fees. After that, the rest of the jackpot will be released to you.
2. You've been selected to be a secret shopper and you'll be paid for your efforts. You're supposed to wire back most of the money to test the efficiency of the MoneyGram® process.

Don't Fall Victim

Both of these are scams and are becoming increasingly common in this area. Once victims wire the money – out of their own personal accounts – it's gone.

The scammers are becoming much more sophisticated than they have been in the past, making the scams that much more difficult to detect. The checks look real. In fact,

it's almost impossible to tell just by looking at them that they are fake. They may appear to be issued by reputable U.S. institutions, and may even use real routing and account numbers. Many are printed on quality paper and have a watermark.

After scam victims deposit the checks in their accounts, it typically takes a minimum of 10 days for the bogus checks to be returned. By that time, the money that they have wired is long gone.

Protect Your Finances

Don't fall prey to one of these schemes, or the many similar ones that are making the rounds. When fighting fraud, a little common sense goes a long way. Remember:

- If it sounds too good to be true, it probably is.
- Ask yourself some questions: Did you enter the lottery? Do you know this company? Did you apply for a



When fighting fraud, a little common sense goes a long way.

job as a secret shopper? If the answer is "no," it's almost certainly a scam. Don't bite!

- If you suspect fraud, contact North Shore Bank and the National Consumers League's Fraud Center at fraud.org or **(800) 876-7060**. ■

4 Tips for Greening Up Your Home

Eco-friendly living starts with you – the decisions you make about recycling, energy use, clean water and so forth. Problems like global warming and pollution can seem overwhelming and impossible to solve, but you can make a measurable difference with small changes. Where to start? Your home – it holds the keys to earth-friendly living.

1. **Build with earth-friendly materials.** When installing new floors or countertops, consider alternatives. Cork and bamboo flooring are becoming popular alternatives to manufactured hardwood floors. Recycled plastic decking is also widely available. Look for countertops composed of recycled materials – recycled glass products, aluminum

post-industrial scrap and recycled tubs and sinks.

2. **Conserve with Energy Star.**® The Energy Star label makes it easy to shop for energy-efficient appliances. Look for it and go green when you replace appliances – the average family saves about one-third on energy bills by doing so.
3. **Put bright ideas into practice.** Replacing five light bulbs with compact fluorescent light bulbs can save up to \$60 annually in energy costs.*
4. **Stay warm, stay cool.** Keep heating and cooling costs down by using a programmable thermostat, checking windows and doors for gaps, adding storm panels to windows and planting hardy trees and bushes around the house.



Energy-Wise Home Improvements

Smart energy use in your home conserves precious resources, minimizes pollution and saves you money. Plus, your actions can influence those around you, so the smallest improvements can create a ripple effect for a greener future.

North Shore Bank can help jumpstart your home projects with a home equity line of credit special. Contact us at **(800) 236-4672** or visit northshorebank.com for details.

* Source: energystar.gov.

in your Best Interest

Earn Rewards this Holiday Season with North Shore Bank's Platinum Debit Card



With the approaching holiday shopping season, wouldn't it be nice to be rewarded for spending money? By selecting "credit" instead of "debit," you will be instantly rewarded when using your North Shore Bank Platinum Debit Card. For every \$3 you spend, you earn one point that can be used for merchandise, travel or gift cards to your favorite stores and restaurants. You can also earn points when you make purchases online.

There are hundreds of reward options to choose from. All you need to do is decide how you want to use your points! To learn more, redeem your points or track what you already have, visit our Web site at northshorebank.com and click on the *Your Rewards* icon.

Drop Off Your Worn Flags at North Shore Bank



Through Oct. 31, North Shore Bank is working with the Exchange Clubs, the American Legion and local Boy Scout troops to collect and honorably dispose of worn American flags. All North Shore Bank offices are collecting the flags that will be retired in Veterans Day ceremonies on Nov. 11. More information can be found online at northshorebank.com.

Is Convenience Worth the Cost?

Americans love convenience. We can purchase food, fill prescriptions and buy coffee without leaving the car; we can access cash at an ATM on nearly any street corner; and we can shop for everything from groceries to electronics from the comfort of home. But convenience often comes at a price.

The following examples illustrate the cost of convenience and may help you decide when it pays to make an extra effort.

Ten-minute oil change vs. traditional oil change. You can have your car's oil changed while you wait, but you could pay as much as 50% more than you would to leave the vehicle for a few hours.

Public transportation vs. driving. The high price of fuel makes public transportation an economical option. In addition, riding a bus gives you a chance to unwind while others fight traffic, and it can help preserve air quality by reducing harmful vehicle emissions.

Convenience foods vs. made from scratch. After a busy day, the last thing you may want to do is prepare a homemade meal. Opting for convenience foods can be tempting, but the cost may be high. Not only will you pay more for the prepared foods, but you may also sacrifice nutrition.

At North Shore Bank, Convenience Is Free of Charge

We know how busy you are and how attractive convenience can be, and we don't think you should have to pay extra for it. That's why Online Banking is free *and* convenient. Just log on to our Web site to manage your finances securely and efficiently, whenever you have the time.

Online Banking lets you transfer funds, view account balances and statements, apply for a loan or open an account any time of day or night, without traveling to the bank. And with online bill pay, you can pay nearly any bill and schedule automatic recurring payments from your computer, which saves you the time and hassle of writing checks, buying stamps and finding a mailbox. Plus, ePay is available to you at no charge.

To take advantage of Online Banking, log on to northshorebank.com, stop in any branch or call us for information on how to sign up. ■



NORTH SHORE BANK

North of Expected®

North Shore Bank Web Site
northshorebank.com

E-mail Us at
contactus@northshorebank.com

New Account/General Information

(800) 236-4672 (During business hours)
(262) 785-1600 (In Milwaukee area)

Consumer Loans

Apply 24 hours a day, seven days a week
(800) 292-9370

Mortgage Lending

New loan inquiry information
(877) 672-4663

This publication does not constitute legal, accounting or other professional advice. Although it is intended to be accurate, neither the publisher nor any other party assumes liability for loss or damage due to reliance on this material. ©2007 North Shore Bank.

