

EASTERN INTEREST



A Newsletter for Customers & Friends of Eastern Savings Bank!

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Important Information About FDIC Insurance Coverage Changes

The Federal Deposit Insurance Corporation is simplifying the rules on deposit insurance for trust accounts. Currently, the coverage rules are different depending on whether a trust is revocable or irrevocable. Trust accounts include grantor trusts and “payable on death” or POD accounts (accounts for individuals that name a death beneficiary).

FDIC Insurance For Trust Accounts Simplified

Beginning on April 1, 2024, the rules will be the same for both types of trusts. Each trust owner will be insured up to \$250,000 per primary beneficiary up to a maximum of five beneficiaries (for a maximum of \$1,250,000) at any one institution.

For example, if a depositor has a POD account with three named death beneficiaries, the account is insured up to a maximum of \$750,000 (3 beneficiaries x \$250,000). If the POD account named eight death beneficiaries, coverage would be limited to \$1,250,000 (5 beneficiaries x \$250,000).

If there is more than one trust grantor (or, in the case of a POD account, more than one account owner), each living grantor is separately insured. So, if a husband and wife have a joint account with four named death beneficiaries, the funds in that account are insured up to a maximum of \$2,000,000 (2 owners x 4 beneficiaries x \$250,000 = \$2,000,000). But note, at the death of either of the original joint owners, the coverage would drop to \$1,000,000 (1 owner x 4 beneficiaries x \$250,000).

Although this is a “simplification” of the rule, it can still be complex depending on the complexity of the specific facts (such as unusual beneficiary types or multiple trust accounts). More information on FDIC insurance coverage can be found at fdic.gov/resources/deposit-insurance/ or you can call the FDIC at 1-877-275-3342. Another great resource is the FDIC’s Electronic Deposit Insurance Estimator (EDIE) that can be found at edie.fdic.gov/index.html. Of course, you can always reach out to your local branch!

Don't Let The Myths Of Home Buying Deter You From Achieving Your Goals

The home buying market has been a hot topic for a couple of years now with many varying opinions. Yes, there are certainly some challenges, but every market is different and opportunities do exist.

Don't be deterred by various myths about homebuying or challenges of today's market. Turn to our mortgage experts and let them guide you through the best mortgage solutions for your needs and budget. Contact us to discuss your home financing needs or go online to learn more at

www.easternsavingsbank.com/lending/fha-mortgage/.

HOME BUYING MYTHS	
You Need a Large Down Payment to Buy a Home.	You Need Perfect Credit to Buy a Home
You Should Wait To Find The Lowest Interest Rate.	You Are Tied to The House You Buy as a "Forever Home."

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How Well Can You Spot Fraud?

Every day, thousands of people fall victim to fraudulent emails, texts and calls from scammers pretending to be their bank. And the problem is only growing worse.

It's time to put scammers in their place and that starts with you! Your best protection is yourself. Be attentive and know what to look for. Question and think before acting.

Learn more about common scam practices, how to spot them and protect yourself, and test your knowledge by visiting www.banksneveraskthat.com.

5 Signs That Text is a Scam

- 1. Strange number
- 2. Asks you to log in
- 3. Odd grammar
- 4. Uses scare tactics
- 5. Asks you to open a link

URGENT! Pinecreek Bank needs to verify your info. Please login to your account below to verify your identity. Your account will be closed if U don't complete in 24 hours. bankatpinecrk.com/YX82KG2

BANKS NEVER ASK THAT

American Bankers Association

Understanding Powers of Attorney.



A Powers of Attorney (POA) is an essential tool for both personal and business affairs. This legal document grants someone else the authority to act on your behalf in various capacities, providing peace of mind and ensuring that your interests are protected even when you're unable to act yourself.

What is a Power of Attorney?

A Power of Attorney is a legal instrument that allows an individual (the "principal") to appoint another person or entity (the "agent" or "attorney-in-fact") to make decisions and act on their behalf in specific situations or for particular purposes. This document can vary widely in scope and duration, depending on the preferences and needs of the principal.

How Does A Power of Attorney Work?

When creating a Power of Attorney, the principal must specify the powers they wish to grant to the agent. The principal can choose the extent of these powers and can also specify any limitations or conditions on the agent's authority. A Power of Attorney can be broad, granting extensive powers, or limited to specific tasks or timeframes. These powers can include:

1. **Financial Powers:** Authorizing the agent to handle financial transactions such as banking, investment management, and tax matters.
2. **Healthcare Powers:** Granting the agent the authority to make medical decisions on behalf of the principal if they become incapacitated.
3. **Legal Powers:** Allowing the agent to handle legal matters, including signing contracts or representing the principal in legal proceedings.

A Power of Attorney is important for both personal and business purposes. For personal affairs, a POA is used to cover three key purposes that include incapacity planning, healthcare decisions, and financial management. For business affairs, a power of attorney can cover continuity of operations, contractual authority, and succession planning.

Whether for personal or business affairs, a POA document offers peace of mind and flexibility, allowing designated agents to act on behalf of the principal with clarity and authority. A Power of Attorney is a powerful legal tool that empowers individuals and businesses to plan for the future, protect their interests, and ensure continuity in the face of unforeseen circumstances.

For a deeper dive into understanding Powers of Attorney documents and purposes, learn more by reading our blog article at www.easternsavingsbank.com/understanding-a-power-of-attorney-a-crucial-tool-for-personal-and-business-affairs/

Wise Uses For Your Tax Refund

Tax season is here, and you may be eagerly anticipating receiving a tax refund. While your refund amount may vary, it's important to have a plan for what you will do with this "bonus income." Here are the top things you should consider doing with your tax refund:

1. **Build Your Emergency Fund:**

Start or bolster your emergency savings fund. Assess your savings and see if you have the recommended three to six months' worth of living expenses saved to cover unexpected emergency expenses.

2. **Pay Down Debt:**

Use your tax refund to tackle high-interest debt such as credit card balances or personal loans. Paying off debt not only reduces financial stress but also saves you money on interest in the long run.

3. **Invest in Retirement:**

Consider contributing to your retirement accounts such as a 401(k) or IRA to help secure your financial future.

4. **Save for Major Goals:**

Whether it's a down payment on a house, a dream vacation, or starting a family, use your tax refund to jumpstart your savings for major life goals.

5. **Home Improvements:**

If you own a home, consider using your tax refund for necessary repairs or upgrades. This is an investment opportunity that not only enhances your living space, but has potential to increase the value of your property.

6. **Invest in Yourself:**

Invest in yourself and your family. You've worked hard for that money, so it's ok to slice off a portion to spend on yourself and/or family. We just recommend being wise and not spending it all on glitz and glamour without first addressing current debts and future savings needs.



Easy, Secure Access To Your Money - Anytime, Anywhere



Locally Owned. Locally Operated. Locally Committed.

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