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# Our Two Cents



## What to do Before Applying for a Mortgage

### Steps to prep for a mortgage

Buying a home is exciting, but you must make sure you have all your ducks in a row before undertaking such a big financial move. The more you plan, the better off you'll be. Here are some steps to take that will prepare your finances for a mortgage.

#### Raise Your Score

One of the most important things to do before applying for a mortgage is to make sure your credit score is as high as possible. The higher your score, the lower your interest rate will be. That is a big deal, as it makes paying your mortgage manageable. The best way to improve your credit score is to pay bills on time, every time.

#### Check Your Report

You should also check your credit report for inaccuracies. Incorrect information on your credit report could negatively impact your score. Go through your report and look for errors, then report them to the bureau immediately. Make sure that you check your report with all three credit bureaus — Experian, Equifax, and TransUnion. Plus, since Farmers & Merchants is a SavvyMoney partner, you have access to your report and score daily!

#### Gather Savings

The bigger down payment you make the more affordable your mortgage will be over time. A large down payment typically means you'll have lower monthly payments. You'll also have an advantage over other potential buyers, as a large down payment signals to sellers that you mean business. A good rule of thumb for a down payment on a house is about 20 percent. In addition to the down payment, you'll also want to save for closing costs and the ongoing cost of homeownership.

**Do One Thing:** Save as much as possible before applying for a mortgage. The more you save, the easier it will be to handle mortgage payments.

More articles at: <https://education.savvymoney.com/savvymoney-daily/>



## Community Events for Spring & Summer 2024

**April 6th:** Lions Auction  
@ NYM City Ballroom  
starting at 6pm



**April 10th-26th:**  
Annual High School  
Art Show at the  
NYM Cultural Center



**May:**  
May 24th High  
School  
Commencement



**June 7th:**  
Downtown  
Walking Tour



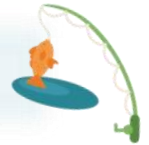
**June 8th:** Great  
American Think-Off  
**June 8th:** Ronald  
McDonald Ride



**July 3rd:** Millers vs.  
Braves Baseball Game



**July 12-13th:**  
Lundmania



**July:**  
July 13th: 3-on-3  
Basketball Tournament



**April 27th:** NYM High School Prom  
**April 28th:** Pink Lemonade Dance



**June:**  
TBD: Miller Street  
Block Party



**July 13th:** Parent  
Nest Dash-N-Bash





*Stephanie VonRuden*

**Stephanie VonRuden**  
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## Stephanie's Suggestions

As a mother, an active youth mentor, and a lender, one thing I love to see with school age children is financial literacy. Here at Farmers & Merchants, we are doing as much as we can to help provide that for our area students.

One of my favorite ways to share financial education with today's youth is the reality fair that we host at the New York Mills High School. A reality fair is a real life simulation of an adult's financial life. We provide this simulation in an interactive way through a series of games and slideshows. Although this event is hosted by the Bank, it wouldn't be possible without the numerous local volunteers and businesses that play an active role.

What are some other ways we can instill financial knowledge in the next generation? The FDIC has some amazing tools to teach safe banking concepts, savings and budgeting tips, the importance of charitable giving in your community, how interest works, and so much more!

Bring your kids in to open up their first savings account, and get them started on the path to financial success!

Link: <https://www.fdic.gov/resources/consumers/money-smart/teach-money-smart/money-smart-for-young-adults.html>



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## Tech Tips: How to Create a Strong Password



Our lives are becoming increasingly digital. In this age of technology, it's critical to secure the devices and accounts holding your sensitive personal and company information. The first line of defense to protect this information is often your password.

### The Elements of a Strong Password

Strong passwords combine letters, numbers and characters to make them harder to guess. The longer a password is, the more possible variations it has, making it harder and harder for cybercriminals to crack. An extra character could add years to the amount of time it takes for a bad actor to crack the code and obtain your password in a brute-force attack. In these types of attacks, hackers use programs to try various combinations of letters, numbers and symbols in search of the right password. They try multiple passwords in split seconds and are more likely to correctly guess short passwords consisting of only letters and numbers. This technique becomes exponentially harder the longer a password is. A longer password makes it harder for hackers to guess your password when you add complexity to your already lengthy password. Making something easy to remember and harder to guess can be as simple as using a passphrase and tossing in a few symbols and numbers that only you know. The extra complexity is worth your time. **According to this tool, a complex 12-digit password takes 117,399,454 years to crack. On the flip side, a computer can crack a 5-character password in under a second.**

### Passwords to Avoid

A good password is difficult for someone else to guess or crack. Generic passwords like "password" or "12345" are easier to guess. In fact, these examples are among the most popular passwords in the world, according to Cybernews®. A strong password uses the entire keyboard. "Qwerty" is another common password due to these letters being right next to each other on the keyboard. If it's easy for you to type, it's easy for hackers to guess. A strong password is not based on your personal information. Passwords that use your nickname, date of birth or your pet's name could make you vulnerable to hackers who may find out your password by looking up your public information and social media profiles.

### How to Create a Strong Password

#### Use a password generator.

A password generator is a tool that automatically generates strong, secure passwords. It can help you come up with a sequence of random symbols to use as a password for any device or account needing restricted access.

#### Choose a passphrase rather than a password.

Passphrases take the first letters, numbers and punctuation to generate what appears to be a random combination of characters. The perceived randomness makes it more difficult to guess or crack by brute force. For example, "Green Bay won the first Super Bowl 35-10" becomes "GBw1stSB3510."

#### A different password for each account you own.

Two-thirds of Americans use the same password for multiple accounts. Once that password is guessed or captured, it makes all other accounts with the same password more susceptible to being compromised. Having a strong password for each account limits the potential damage if a hacker happens to get ahold of one of your passwords.

Save yourself a break-in and think about adding a few more characters to your password today!