



## Partnering with You to Enhance Our Community

At Belmont Savings Bank, we're proud to be part of this community. We want to do what we can to help support and improve our area.

### Benefits Ripple Throughout the Community

Through our lending programs, we have:

- ◆ Helped young families buy their first homes and allowed growing families to move into larger ones.
- ◆ Supported the start of new businesses and helped others expand.
- ◆ Enabled young people to buy the cars they needed to get jobs and made a college education attainable for others.

Our savings programs have:

- ◆ Provided a safe way for residents to save money to enjoy a secure retirement.
- ◆ Helped youngsters develop good money management habits and learn the joys of saving.

In addition, Belmont Savings Bank has provided scholarships to deserving students who want to continue their education, sponsored community events, supported fundraising efforts for charitable causes and encouraged our employees' volunteer efforts.

### Spirit of Cooperation

We use many avenues to promote the well-being of our community, but we couldn't do it without the help of others. We work in partnership with area residents and civic and business leaders to help determine what roles we can fulfill in advancing the community's interests.

Most important is the part you play. We couldn't do any of this without the loyalty and support of our customers. We strive each day to continue earning your trust and your business by providing top-of-the-line products and exceptional service. Thanks for making this community a better place to work and live.

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### Coming Soon ...

Throughout its 125 year history, Belmont Savings Bank has taken the initiative in identifying both opportunities and challenges. We have succeeded by following a simple strategy: setting goals and finding creative ways to accomplish these goals. We are pleased to announce our latest effort to

provide you with the finest possible banking experience.

In mid-May, the bank will convert to a new account processing system that will give us the ability to anticipate customer requirements and streamline our everyday banking processes. A group of industry experts is currently working with us to provide

comprehensive training in the newest and most advanced technology available.

At Belmont Savings, we believe strongly in our ability to provide superior service across all areas of banking. From new products to attentive customer support, we can proudly state that we are "ahead of the curve."

# Home Equity Loans

## A tax-smart way to borrow

# Put Your Equity to Work for You!

Did you know that your home's equity may be an inexpensive source of credit? Borrowing against the equity in your home offers two major benefits: 1) lower interest rates than most other forms of credit, and 2) the interest you pay may be tax-deductible.\*

### Flexible Funding for Your Goals

Debt consolidation is just one of the many uses for your home's equity. You may be able to consolidate your higher-interest debts into one lower monthly payment. Or you may want to consider borrowing against your equity to fund such goals as home remodeling, a wedding, college tuition or a new vehicle.

### Your Borrowing Options

There are two simple ways to get at the money built up in your home:

**Home equity loan.** Sometimes called a second mortgage, a home equity loan allows you to borrow a lump sum to be paid back in monthly installments over a specified period.

**Home equity line of credit.** Rather than receiving a lump sum, this option lets you borrow against a given credit line as you need it. You can access your money by writing checks linked to the account.

### We'll Help Unlock Your Equity

Contact one of our loan specialists today to learn about your options so you can



get on the road to reaching your goals. Stop in to the branch nearest you, phone 617-484-6700 or visit our Web site at [www.belmontsavings.com](http://www.belmontsavings.com).

\* See your tax advisor regarding deductibility in your situation.

## Is Online Banking Right for You?

No time to stop in your local branch to make a transfer? Financial statements cluttering your home? Want a secure and efficient way to manage your finances? Look no further than Belmont Savings Bank's Online Banking program.

For people with personal computers and Internet access, online banking can provide a welcome alternative to paper-based transactions. You have the option of completing a multitude of tasks online, whether it's paying bills, checking your account status, transferring money, even applying for a loan. If you're comfortable using the Internet, you may find online banking to be a breeze.

### The Necessary Tools

A computer with a secure Internet connection is all you need to enjoy the convenience of banking from virtually anywhere. Manage your finances when it's convenient for *you* and avoid making an extra trip to your local branch. Simply visit [www.belmontsavings.com](http://www.belmontsavings.com) and click on Online Banking to get started.

With online banking, you can:

- ◆ View account balances and history.
- ◆ Replace paper statements with a secure online format.
- ◆ Transfer funds between accounts.
- ◆ Pay bills.
- ◆ Schedule automatic recurring bill payments.
- ◆ Apply for a loan.

Online banking is more secure than ever. We're constantly taking steps to protect your account and personal information. We'd be happy to walk you through the steps in online banking and will gladly answer any questions you may have. If you think online banking might be right for you, log on to Belmont Savings Bank's Web site, stop in any branch or call us for information on how to sign up.

# Questions to Ask before Converting to a Roth IRA

For more than 35 years, traditional individual retirement accounts (IRAs) have provided tax advantages – including tax deferral and the potential for a tax deduction – to people saving money for retirement.\* Roth IRAs were introduced in 1998, offering a different set of advantages, including the potential for tax-free withdrawals. But there were limitations on who could convert a traditional IRA to a Roth IRA. Now, that's changing.

*Q: What's new?*

A: Effective Jan. 1, 2010, conversions from a traditional to a Roth IRA are no longer limited to taxpayers with a modified adjusted gross income of \$100,000 or less, as they were prior to that date. In addition, married couples who file separately are no longer prevented from making a conversion. Now anyone can convert a traditional IRA to a Roth IRA.

*Q: What are the tax consequences of converting to a Roth?*

A: You owe ordinary income taxes on all or a portion of the amount converted, depending on whether you made deductible or nondeductible contributions to the traditional IRA. Usually, the tax is due when you file a federal income tax return for that year. But if you make the conversion in 2010, you have two options: 1) include the conversion on your 2010 tax return or 2) split it equally between your 2011 and 2012 tax returns.

*Q: What are some potential advantages of converting a traditional IRA to a Roth IRA?*

A: Distributions from a Roth IRA are tax-free if you're age 59½ or older and have held the account at least five years.\*\* You are not required to begin taking minimum distributions at age 70½, as you are with a traditional IRA. Distributions are not required during the original account holder's lifetime (but they are required for some beneficiaries). And if you leave the account to heirs, your beneficiaries can receive the assets tax-free.

*Q: What are some reasons I might not want to make the conversion?*

A: Converting may not make sense if you:

- ◆ Don't think you'll be in the same or a higher tax bracket in retirement. The taxes you pay on the conversion could end up being higher than the taxes you'd pay when making withdrawals from your traditional IRA if you didn't convert it.
- ◆ Can't pay the taxes on the conversion from sources other than your IRA. If you're younger than age 59½, you'll



probably owe a 10% penalty on IRA funds withdrawn to pay taxes. And in any case, you'll lose the potential benefit of tax-free growth on that amount.

- ◆ Don't have a long enough time horizon to allow a Roth's tax-free earnings to compensate for the taxes you pay on the conversion.

With so many factors to consider, deciding whether to convert a traditional IRA to a Roth IRA is a complex decision. The investment professionals at Belmont Savings Bank can help you weigh the pros and cons to arrive at an answer that's right for you. Call today to schedule a consultation at 617-484-6700.

\* Taxes will be due upon withdrawal at ordinary income tax rates. Premature withdrawals – generally, those made before age 59½ – may be subject to a 10% tax penalty, as well.

\*\* Premature withdrawals – generally those made before age 59½ or within five years of opening the account – may be subject to ordinary income taxes and a 10% tax penalty.

# Beware of Census Scams

It's that time again: The 2010 U.S. census is being conducted this spring and summer. Once a decade, census workers count every person in the country and collect information about every resident, including name, age, gender and race.

The data collected for the census is used for a variety of purposes, including allocating more than \$400 billion in federal funds and to determine how many seats each state occupies in the House of Representatives.

You're required by law to provide the requested information to the Census Bureau – but it's important to be cautious when providing your personal information to someone you don't know. Unfortunately, scammers are already posing as census workers and asking for private data.

## Don't Fall for Phony Requests

Knowing the details of the official U.S. census can help you avoid being scammed:

- ◆ You may be contacted by phone, mail or in person by the Census Bureau.
- ◆ You will not be contacted by e-mail. Never open an e-mail or click on a link that claims to be from the Census Bureau.
- ◆ Census workers who visit homes will carry a badge, hand-held device, canvas tote and confidentiality agreement. Request to see the visitor's identification and badge before providing information.
- ◆ A census worker will never request your Social Security number, bank account information or credit card numbers.
- ◆ Census workers will never ask for donations.



## Your Information Is Confidential

The information you provide for the census is protected by federal law, so you can rest assured that your data will remain confidential. The Census Bureau will never publish or share your private information with anyone, including other government agencies or courts.

For more information about the census, or to report a suspicious census request, visit [www.census.gov](http://www.census.gov).\*

\* Web site provided for information only. No endorsement is implied.

### Main Office, 2 Leonard Street Belmont Center, 617-484-6700

#### Lobby

Monday-Thursday 9 a.m. – 4 p.m.  
Friday 9 a.m. – 6 p.m.  
Saturday 9 a.m. – 12:30 p.m.

#### Drive-Up Window

Monday-Thursday 8:30 a.m. – 4 p.m.  
Friday 8:30 a.m. – 6 p.m.  
Saturday 9 a.m. – 12:30 p.m.

### 78 Trapelo Road Cushing Square, 617-489-6714

#### Lobby

Monday-Thursday 9 a.m. – 4 p.m.  
Friday 9 a.m. – 6 p.m.  
Saturday 9 a.m. – 12:30 p.m.

### 277 Trapelo Road Belmont, 617-489-6722

#### Lobby

Monday-Wednesday 9 a.m. – 4 p.m.  
Thursday-Friday 9 a.m. – 5 p.m.  
Saturday 9:30 a.m. – 1 p.m.

#### Drive-Up Window

Monday-Wednesday 8:30 a.m. – 4 p.m.  
Thursday-Friday 8:30 a.m. – 5 p.m.  
Saturday 9:30 a.m. – 1 p.m.

### 53 Mount Auburn Street Watertown Square, 617-926-1325

#### Lobby

Monday-Thursday 8:30 a.m. – 4 p.m.  
Friday 8:30 a.m. – 6 p.m.  
Saturday 9 a.m. – 12:30 p.m.

## ATM Locations

### In Belmont

2 Leonard Street, Belmont Center  
78 Trapelo Road, Cushing Square  
277 Trapelo Road (Drive-up ATM)

### In Watertown

53 Mount Auburn Street, Watertown Square

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