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# VIP

## IN THIS ISSUE

Pioneer Services keeps flame lit at WWI memorial page 2

How to choose a financial institution page 3

Award named after Pioneer Services manager page 4

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## Online banking goes mainstream

By Doug Allen, Chief Information Officer for Pioneer Services, the Military Banking Division of MidCountry Bank

As a service member, you have used cutting-edge technology to accomplish various objectives, secure in your knowledge of that technology and how to use it. But when it comes to managing your own finances, odds are you're low-tech, with direct deposit of your paycheck and trips to the ATM being the few ways you utilize technology to manage your finances. Many people are used to meeting with a banker or loan officer face-to-face, and still probably balance their check book with printed bank statements mailed each month.

New technology and security advancements, however, have torn down the walls between what used to be done knee-cap-to-knee-cap and what can now be done over the Internet. Online financial services can save you time, give you more options, afford privacy, and provide you with greater flexibility, control, and access over your finances.

### Save time and money

Online banking has exploded in recent years, with most banks now offering the service for free. There are also independent bill paying sites that work as intermediaries between your bank and your creditors, although they charge a fee.

In today's world, there are a number of advantages and reasons why you may want to consider on-line banking:

» **Ease of use**—While it takes time to initially setup your online account, it's worth the effort since it makes paying bills and transferring funds a breeze. You can set up bills to pay automatically each month, much like an allotment; move money from savings to checking (or vice versa) in seconds; and there's no need to address envelopes, lick stamps, and stand in line at the post office.

» **Ease of payment**—You can pay almost anyone through online banking, either by an electronic funds transfer (e.g. to a utility company), or by a check the bank writes and sends on your behalf (e.g. to a babysitter). Simply enter the receiver's information, select the amount to be paid, click a button, and it's done.

*New technology and security advancements have torn down the walls between what used to be done knee-cap-to-knee-cap and what can now be done over the Internet.*



» **Instant tracking**—Want to find just how much you spent eating out at lunch last month? Curious as to how long it takes for a payment to clear? You can usually find out all of this information (and more) in mere seconds. The ability to categorize your expenditures also helps you keep in line with your budget, or find ways to save money.

» **Fraud detection**—Many people who fall victim to identity theft or fraud often don't discover it until it's too late. With online banking, you can keep tabs of your account daily and discover any questionable purchases almost as soon as they occur. You can even set up your account so you receive an email or text message whenever your debit or credit card is used overseas or at an Internet shopping site.

» **Makes you money**—Since you can send payments later than you could if you had to mail your bills, the money stays in your account longer and, thus, you earn more interest. You also save on late fees since you can send payment almost instantly, which is helpful if a bill gets lost during a move or you just forgot about it.

Regardless, less than half of all Internet users take advantage of online banking according to the Pew Internet Project. The biggest reason for these numbers is lingering concern over security and privacy issues.

### A little common sense

Today, there are millions of online financial transactions every single day, from those checking their bank accounts, to those trading millions of dollars in stocks. And most occur without incident. However, just as you use common sense when walking up to an ATM or visiting your bank,

*Continued on page 4*



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# Pioneer Services saves eternal flame at National World War I museum

Company starts grassroots effort that raised more than \$60,000



Since the day the company was founded in 1932, Pioneer Services has committed itself to bettering the communities it serves. When it started exclusively serving the military community in 1986, it knew it would have to find new and creative ways to give back to those who serve our nation

For six weeks in May, June and July of this year, Pioneer Services did just that.

It started on Friday, May 23, 2008, when *The Kansas City Star* featured an article about how budget cuts would shut off the eternal flame at the National World War I Museum at Liberty Memorial, that nation's only official museum dedicated to the Great War. The story centered on a concerned citizen who was trying to raise the \$45,000 needed to keep the light atop the 217-foot tower going for another year, and how she wasn't sure it could be done.

Tom Holcom, president of Pioneer Services, read the article that morning, considered the options, and decided Pioneer Service would help.

It began with a \$5,000 donation to keep the flame going until July 4, continued with a Web site ([www.SaveTheFlame.org](http://www.SaveTheFlame.org)), and a pledge to match other donations, up to a total of \$22,500. The company also challenged others in the Kansas City community to step up and raise enough money to keep the flame lit for at least another year.

Three days later, during a Memorial Day celebration at the museum, Holcom met 107-year-old Frank Woodruff Buckles, the last known surviving World War I veteran in America. Holcom promised Buckles that the flame would not go out.

In the weeks that followed, Kansas City and national media started to take notice of the campaign: Local news stations highlighted the effort and interviewed several executives ... a local radio station joined the cause, running public service announcements and collecting donations on their Web site ... a writer for the Associated Press wrote an article that was featured in *Stars and Stripes* ... *USA Today* and other national outlets took notice ... citizen and professional bloggers wrote posts about "Save the Flame" ... and a group from the United Kingdom, the Pershings' Doughboys U.S. Army WWI

Living History Group, heard about our effort and solicited support from around the British Isles.

Pioneer Services associates also stepped up to the plate with the "Save the Flame Penny War," in which offices and departments tried to collect the most spare change and earn bragging rights. The total of \$850 just from spare change proved once again that very few companies care more about their market than Pioneer Services does.

The campaign came to its celebratory conclusion on July 3, as the company presented a check to the National World War I Museum that, when combined with donations from business and concerned citizens, will keep the flame going not just for the next year, but for the next 18 months.

After learning the goal was surpassed by nearly 100 percent, Brian Alexander, President and Chief Executive Officer for the National World War I Museum, was incredibly grateful. As news cameras from two local stations rolled, and a pair of radio stations broadcast from the event, he said, "We truly appreciate the individual and business grassroots campaign that helped saved the flame. In particular, I would like to thank Pioneer Services for their leadership in this effort ... and for making this so successful."

Holcom added, "The eternal flame is a symbol of our eternal gratitude for those who sacrificed so much. I'm proud to have been part of an effort recognizing the sacrifice of our veterans, young and old, and have been amazed at the outpouring of support from the local community and across the country."

Perhaps the most impressive thing of the entire campaign was how Pioneer Services' dedication to all of those who serve and have served—whether now in the sands of the Middle East, or nearly a century ago in the fields of Western Europe—shone nearly as bright as the flame they were fighting to save.

Pioneer Services thanks all who supported this effort, and is appreciative of their dedication to the men and women of the Armed Forces.

For additional information about Save the Flame, including video and audio clips of media coverage, as well as how to continue supporting the National World War I Museum at Liberty Memorial, visit [www.SaveTheFlame.org](http://www.SaveTheFlame.org).

# What to look for when choosing a financial institution

By Joe Freeman, Chief Operating Officer for Pioneer Services, the Military Banking Division of MidCountry Bank

People choose a bank or credit union for a variety of reasons—location, number of ATMs, or even a family history with an institution can all play a part. But for military families, there are certain considerations that must be taken into account due to the nature of military life.

## How you use it

First, decide what you're looking for in a bank. Is it just some place to keep your money? Do you want to use it as your primary lending source? Do you need assistance with investing? How often do you actually go to the branch office? What other services are important to you (such as wire transfers, how they handle deposits, etc.)?

How you answer those questions will determine if you need just a basic savings or checking account, or a more full-featured account that provides additional services.

## Fees

How much a bank charges you for certain transactions—or even pays you interest for keeping your money with them—can vary greatly.

Compare fees for bounced checks, transferring funds, cash withdrawals from ATMs, online banking, getting new checks, and minimum balance requirements. With ATM fees, compare *all* charges, since some may charge on their own machines after a certain number of transactions, or for withdrawing money (and even simple balance inquiries) from another bank's ATM.

If you wish to use the bank's lending services, get an idea of what interest rates and terms they offer. And if they provide financial planning services, see if it is a flat fee, or if it depends on the type of consultation offered.

## Accessibility

Since military families move so often, a key feature will be national (and even international) access. Larger national banks may have branches all over the nation, while a smaller regional bank may have more robust online services. Which one you need will depend on how you use your bank.

For example, if you prefer to go into a branch office for most of your needs, you'll need to consider a national bank if (or when) you or your spouse is moved to a new duty station. If you prefer to handle things online or over the phone, branch locations won't matter as much.

## Trust

A study by the Better Business Bureau (BBB) and Gallup, conducted April 2008, showed a decrease from the prior year in consumer trust in nearly every industry. The banking industry was no exception, as high-profile problems have led to nearly 20 percent of respondents saying they have little or no trust in financial institutions.

If trust is an issue, call your local BBB, contact

the federal agency responsible for regulating the bank, and/or use a non-government ratings agency—such as A.M. Best—that offer assessments as to a bank's relative health and history. All can give you more information about the bank and its stability and customer service.

Your money is also protected by the Federal Deposit Insurance Corporation (FDIC). While there are often-complex rules and stipulations about coverage for different types of accounts, there are a few simple things to remember:

» You are covered up to a total of \$100,000 (\$200,000 for joint accounts) per depositor, per insured bank. For example, if you have a checking account and a CD at the same insured bank, and both accounts are in your name only, the two accounts are added together and the total is insured up to \$100,000.

» No depositor whose account was within FDIC insurance limits has ever lost a penny in an FDIC-insured deposit account.

To learn exactly what types of accounts qualify for coverage, and the corresponding amounts, visit the FDIC's Web site ([www.fdic.gov](http://www.fdic.gov)) and click on the "Deposit Insurance" tab at the top of the page, or call toll-free at 877-275-3342.

Remember: If trust of a certain bank is a concern, you can either find as much information as possible to reassure yourself online, or simply go to another bank. And if your concern is trust of the industry as a whole, you can rest assured there are plenty of safeguards in place to prevent you from losing your money should something unforeseen happen to the bank.

## Other considerations

» *Minimum balances*—Most accounts with minimum balance requirements pay interest, but the fees for not meeting that minimum can be higher than any interest you'll earn. If possible, avoid any account with minimum balance requirements unless you're sure you can meet them.

» *Service*—Your bank should see you as a partner, value your business, and not treat you differently based on the amount of money in your account. So if you do a lot of your banking by going into the branch and talking with the staff, make sure they treat you with respect and are eager to answer your questions.

» *Word of mouth*—While keeping fees and access in mind, also ask friends and family where they bank and what their experiences have been like, both good and bad. You may learn that the huge, national bank that seemed popular actually isn't, while the little local or regional one has amazing service and comparable fees.

In the end, as long as you pick a bank that is

interested in your financial success, has fair and clearly-explained fees and rates, treats you right, and that you feel comfortable with, you should have a long-lasting and successful relationship.

## Helpful sites:

The following sites can provide you with helpful information:

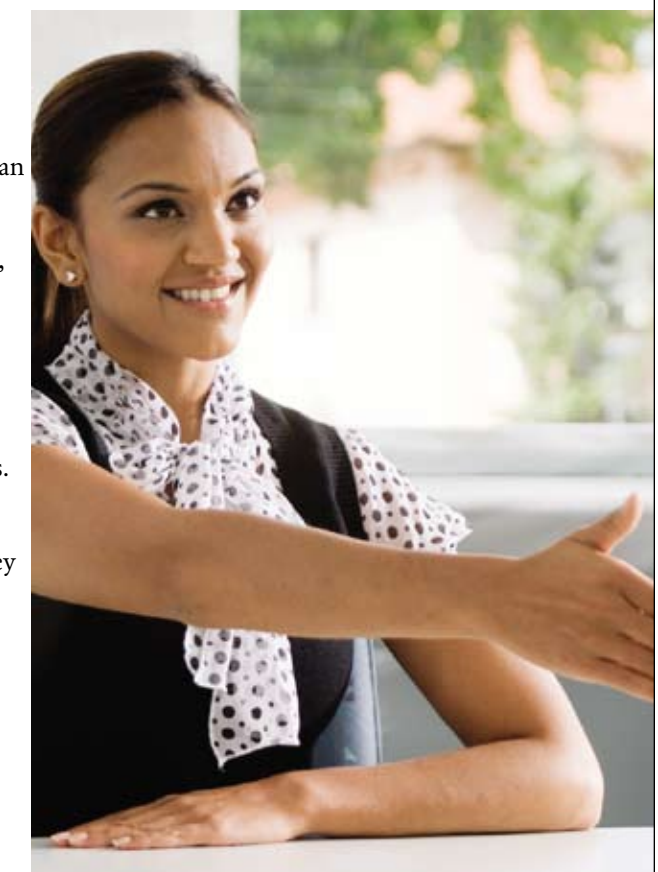
*Federal Deposit Insurance Corporation*—Search for a bank, get reports, and discover complaints for every FDIC institution.  
[www4.fdic.gov/idasp/index.asp](http://www4.fdic.gov/idasp/index.asp)

*FDIC list of ratings agencies*—A comprehensive list of non-government ratings agencies, including methods, cost of reports (some have a fee), and links to their sites.  
[www.fdic.gov/bank/individual/bank/index.html](http://www.fdic.gov/bank/individual/bank/index.html)

*Better Business Bureau*—Information about the BBB/Gallup survey of consumer trust, as well as information about institutions that are part of the BBB.  
[www.bbb.org](http://www.bbb.org)

## About the author

Joe Freeman is Chief Operating Officer for Pioneer Services, the Military Banking Division of MidCountry Bank. He is responsible for all lending and retail operations, strategic planning, and manages a diverse group of more than 200 associates spread across various geographic locations. Freeman has more than 15 years of experience in accounting, operations, consulting, and marketing. He is a successful entrepreneur, a former manager in a Big Five accounting firm, and an expert in managing operational processes, improving efficiencies, and developing strong executional teams.



A Division of MidCountry Bank

VIP's mission is to provide information to audiences who share the vision of improving operational readiness through education and services that enhance the quality of life and financial independence for military families.

For more than 20 years, Pioneer Services has been a leader in military lending. They offer the protection and security of a personal loan with the speed and flexibility service members need. Through a network of offices and on the Internet, Pioneer Services offers loans, financial education programs, and supports military families and communities through a variety of partnerships, programs, and sponsorships.

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# Online banking goes mainstream

Continued from cover

a little online common sense will ensure a quick transaction while protecting your privacy and credit.

There are a number of industry and online standards and tips to let you know if a financial services site is protected and legitimate:

- » **Yellow padlock**—There should be a yellow “padlock” icon at the bottom of your browser window that indicates you are on a secure connection.
- » **The Web address**—The site’s address should start with “https” instead of just “http.” Also, depending on the browser you are using, you may get a “warning” window informing you that you are using a secure Web page.
- » **Privacy policy**—The company should offer their privacy policy and make it easy to find. Of course, the information is only useful if you actually read it.
- » **Better Business Bureau (BBB) logo**—If the Web site has a “BBB Reliability Program” logo on

it, click the logo and see if it takes you back to the BBB site. While you’re there, spend a few minutes and search using the company’s name.

- » **Don’t get hooked by “phishers”**—At no time will a legitimate financial institution ask for any private information via email. If there is a problem with your account, they will either do it over the phone or from a secure site. And even then, any verification is usually done with the “security question” you entered when you signed up, or the last four digits of your Social Security number.
- » **Think before you click**—If you do receive an email stating there is a problem with your online account, do not click on the link in the email since scammers disguise those links to look legitimate. Instead, use a browser bookmark or type in the institution’s Web site address yourself. Better yet, pick up the phone and call—if there is a problem, it will be easy to fix, and if there is not, you can report the scam.

Finally, to ensure online security and privacy,

make sure the computer you use has updated virus protection, and make passwords complex by using upper and lowercase letter, numbers and symbols.

This information should give you some peace of mind when it comes to handling online financial transactions and, specifically, online banking and lending. Technology is only as good as how it’s used, and using the money management tools available online can be a great way to secure your financial future.

#### About the author

Doug Allen is Chief Information Officer of Pioneer Services, the military banking division of MidCountry Bank, where he is responsible for establishing the strategic technology objectives for the company. With nearly 27 of experience in Information Technology, Allen has published two books, *Learning Guide to the Internet* and *Internet Explorer 5 At A Glance*, and has also authored several courses on a variety of personal computer technologies. Allen has served on advisory panels for Microsoft and Compaq.

# Military award named for Pioneer Services manager



U.S. Army Sergeant Major Al Hobbs (ret.)—office manager at the Fort Bliss, Texas, Pioneer Services office—was recently honored with an award. But rather than simply receiving the award, the award was named after him, an honor he has received for years of philanthropic service.

The “Al Hobbs Volunteer of the Year Award” will be presented by the 32nd Air and Missile Defense Command (32nd AAMDC) to a deserving Soldier or military spouse for their volunteer work with the command.

“The fact this award is for volunteer service is what makes it so special,” said Hobbs. “There are so many people out there who do so much for those

who serve, and they do it without any expectation of recognition. I’m incredibly proud to have my name associated with this award, as well with those who are recognized for their commitment to military families.”

The 32nd AAMDC is a “star command” that has forces in Fort Bliss, as well as Fort Bragg, N.C., Fort Hood, Texas, and reserve units throughout the United States. The inaugural award was given to a Soldier stationed at Fort Bragg Sept. 23.

Hobbs has dedicated his life to helping military families—as a 27-year veteran of the Army, he truly understands what they go through every day. This understanding is why he has served as president for his local chapter of the Association of the United States Army (AUSA), on the board of directors for the Armed Services YMCA, and as the Chairman Elect for the Armed Forces Committee of the El Paso Chamber of Commerce.

“It’s really an amazing honor to be recognized like this by the 32nd AAMDC,” said Hobbs. “I like to

be more in the background, getting things done. But to have a command recognize me in this way is truly one of the highlights of my entire career.”

Hobbs grew up in Reserve, N.M., and enlisted in the Army at age 18. A father of three, grandfather of seven, and a great-grandfather of two, Hobbs has worked for Pioneer Services for ten years and considers his fellow associates part of his extended family.

“While I volunteered and gave back to the military before I worked for Pioneer Services, the company does a fantastic job of encouraging volunteerism at every level of the organization,” Hobbs added. “They give us 16 hours a year of paid Volunteer Time Off, and are always looking for new ways to give back. It’s with the company’s support that I’ve been able to accomplish so much for military families here at Fort Bliss, and I’m excited about doing even more in the coming years.”

## Visit your local Pioneer Services office to learn more about these unique services.

Angel Flight | Credit Bureau Analysis by a Certified Credit Report Reviewer | Identi-Kid Fingerprinting Cards  
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Peterson Air Force Base  
Pope Air Force Base  
US Air Force Academy

#### Army

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Fort Carson  
Fort Drum  
Fort Gordon  
Fort Hood

Fort Knox  
Fort Lewis  
Fort Polk  
Fort Riley  
Fort Sill  
Fort Stewart

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