Citizens State Bank
NORWOOD YOUNG AMERICA
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October 2025

OUR NEIGHBOR CONNECTION NEWSLETTER

What the Fed's Recent Rate Cut Means for You

Jason Winter
President

Have you noticed the cost of groceries, fuel, or equipment continuing to edge higher? At the same time, borrowing for things like land, vehicles, or a home continues to feel expensive.

The Federal Reserve just lowered the federal funds rate by 0.25% in September, and they are talking about the possibility of more cuts later this year. You might wonder why - because inflation actually went up slightly from July to August, rising 0.2%. Normally, the Fed would raise the fed funds rate to slow that kind of increase in inflation. This time though, they looked at the bigger picture. Inflation is still lower than it was last year, and parts of the economy such as manufacturing and consumer spending have been showing signs of slowing down. By lowering rates, the Fed is aiming to encourage steady growth, support jobs, and keep everyday costs from climbing too quickly.

For families, farmers, and business owners in our area, here is what that means in plain language.

Borrowing Money

When the Fed drops rates, borrowing usually gets easier. A farmer looking at financing seed or new equipment may see slightly lower costs, or a small business owner considering an expansion may find the loan more affordable. When rates go up, borrowing costs increase. That can mean higher monthly payments on equipment loans, operating lines, mortgages, or credit cards. Mortgage rates are the wild card, as long-term interest rates are not tied directly to the Fed's decisions. However, they often move in the same direction as the broader economy.

Saving Your Money

Lower rates are good news for borrowers, but not as much for savers. When rates are higher, banks are able to pay more interest on savings accounts, money market accounts, and CDs. Lower rates typically mean less return on those accounts. Families putting money aside for college or retirement may notice smaller gains.

Why It Matters

The Fed's job is to keep prices stable while supporting a healthy economy. Sometimes that means raising rates to cool things off, and sometimes it means lowering rates to encourage more growth. The recent cut is meant to keep momentum going without letting costs get out of hand.

What You Can Do

The right move depends on your situation. If you are a farmer considering a land purchase or a new piece of equipment, it may be worth running the numbers again to see if financing makes more sense now. If you are a small business owner, this could be a time to look at opportunities for growth. If you are saving for the future, you may want to review your options and consider whether CDs or other accounts can help you reach your goals.

At Citizens State Bank, our focus is on helping local families, farms, and businesses make the most of today's financial environment. If you are wondering how these changes affect your plans, stop by or give us a call. We are here to walk through the numbers with you and find the approach that fits best.

Supporting Our Farmers and Local Businesses This Harvest Season

As the combines roll through the fields and grain trucks make their way down our roads, it's a good time to pause and recognize the people who keep our communities strong. Harvest season is more than just the end of a growing cycle. It's the result of months of planning, long days in the field, and faith that weather and markets will cooperate. For our farmers, every load of grain represents not just a crop, but a livelihood that supports families, schools, churches, and local businesses.

Our small businesses are just as essential. They are the stores, restaurants, truck drivers, and service providers that keep our towns running every day. They employ our neighbors, sponsor youth sports teams, and keep dollars circulating right here at home. Together, farmers and local businesses form the backbone of Norwood Young America and the surrounding towns.

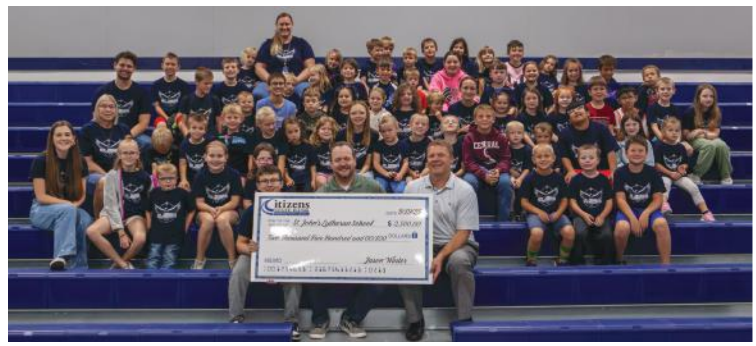
At Citizens State Bank, we are proud to stand beside them. For farmers, that means providing operating lines, livestock and equipment financing, and help with managing cash flow during the ups and downs of the season. For small businesses, it means access to working capital, payment solutions, and a trusted partner when new opportunities arise.

When farmers and businesses succeed, our entire community benefits. Every harvest check and every small business sale helps support other neighbors in the community, from teachers and builders to local tradespeople and churches. That is why we remain committed to giving our customers the financial tools and personal service they need to thrive.

This fall, as you pass fields busy with harvest or stop into a local shop, take a moment to appreciate the hard work behind what you see. Farming and small business ownership are not easy paths, but they are rewarding ones. Their dedication strengthens our community today and shapes the future for the next generation. We are honored to play a small part in that success.

Supporting Stiftungsfest

Citizens State Bank and Federal Home Loan Bank joined together to support Stiftungsfest with a $10,000 donation. This contribution went towards stage enhancements and safety improvements for the celebration.



Helping Students Shine

Citizens State Bank proudly presented a $2,500 donation to St. Johns Lutheran School to support its students and programs. Pictured are Jason Winter and Dan Traxler from the bank with the students celebrating the gift.

Summer of fun events!

Citizens State Bank staff enjoyed many of the area's events including National Night Out (top) and Stiftungsfest (bottom). Pictured: Kelli Stuewe, Lisa Breeggemann, and Joyce Heckmann at the Citizens table at National Night Out. Below, Joyce Heckmann and Michelle Strobel work the entrance at Stiftungsfest.

Citizens offers right home financing team

Buying a home is one of life's most significant financial decisions and you deserve a team you can trust. Why settle for an impersonal office miles away, focused solely on a commission? Your home is here, and so are we.

We take the time to sit down with you and understand your needs, then guide you through the process with personal service and competitive rates. Expect no high-pressure sales tactics here.

Jason Engel
NMLS# 1830377

Unlike many in the industry, our loan officers are not paid on commissions, ensuring your best interests come first. Choose the right team and the right loan, right here at home.

Employee Spotlight

David Cloutier
Financial Services Officer

Name: David Cloutier
Position at Bank:
Financial Services Officer
Years in Banking: 25
Favorite Board Game to Play:
Chutes and Ladders.
Favorite TV Shows: All in the Family.
Memorable vacation you've taken:
The Boundary Waters.
Favorite childhood memory:
Getting pushed on the swing.
Favorite quote/Book you read/movie:
Am I crying? No. Well it wouldn't surprise me if I was!
Something that most people don't know about you:
I have three sisters and one brother.
Family, where you live:
I'm a single father of two living in Mayer, MN.

Rooted in Agriculture, Committed to You.

We know agriculture is more than hard work; it's a way of life passed down through generations. That's why our lending team takes the time to understand your farm, your goals, and the unique challenges you face.

Whether you're investing in new equipment, expanding your herd, purchasing land, or covering seasonal operating expenses, you can count on us for flexible financing and local decisions made by people who know and care about our community.

With Citizens, you are not just getting a loan. You are gaining a partner who is committed to helping your operation thrive year after year. Our team delivers personalized service with honest guidance because we understand the tough choices farmers face and the importance of planning for the future of your farm.

Citizens helps get new business rolling!

Jessica and Sarah Curfman always dreamed of running their own business. With years of experience in the trucking industry, Sarah with 10 years and Jessica with eight, they saw an opportunity to provide dump truck broker and dispatch services. In the fall of 2024, they launched Goodroad Specialties, which now dispatches around 30 trucks for local work each day. Their goal is to continue expanding the number of trucks and contractors they partner with.

“Citizens has been amazing to work with,” Jessica and Sarah said. “They helped us get our projected numbers in order when we were just starting out, and their support has been invaluable. The team is always friendly and greets us by name when we walk through the door. As a women-owned business, we couldn't recommend Citizens more highly.”

Jessica Curfman and Sarah Curfman
Goodroad Specialties

Citizens STATE BANK
NORWOOD YOUNG AMERICA

952-467-3000

409 Faxon Road, Norwood Young America
www.CitizensStateBankNYA.com

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The best checking accounts are at Citizens!

Citizens State Bank provides the simplest, best checking accounts in the market. Our accounts are designed with customers' needs in mind.

Other banks make you jump through hoops with fine print, high minimum balances, mandatory direct deposits and tons of rules to avoid getting whacked with a high monthly service charge. We set our accounts up differently.

Need a free checking account with no minimum balance, no monthly service charge, no minimum number of transactions, a debit card, online banking and bill pay, mobile deposit and choice of paper statements or eStatements? We've got it!

Want a checking account that pays interest for balances greater than $1000? We've got it!

Are you a business that needs the best accounts while having a bank with staff to handle your business needs? We've got it!

While other banks set their accounts up in a confusing matrix to catch customers in fees, we keep it simple and transparent. Dare to compare. We want to be your bank.

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