



WaterStone Quarterly

An Exclusive Publication for the People of WaterStone Bank

CEO'S LETTER
BUSINESS CUSTOMER SPOTLIGHT: PRE/3
UNDERSTANDING CLOSING COSTS
SPRING BREAK TRAVEL ON A BUDGET
TMJ4 COMMUNITY BABY SHOWER

WINTER 2023

MESSAGE FROM
DOUG GORDON

Chief Executive Officer



Southeastern Wisconsin is an incredible community. It's filled with the hometowns where we live, work, and play – the core of our being. From Fox Point to Oconomowoc, and everywhere in between we are proud to call Southeastern Wisconsin “home,” just as you do.

That's why WaterStone Bank has a long-standing reputation for service in the community. Each year, our WaterStone Bank Foundation wholeheartedly supports a wide array of locally based charities that serve initiatives surrounding education, women and children, community development, and veterans' initiatives. I'm pleased to share that 2022 was no different. In fact, we donated over \$645,000 to 258 local schools and nonprofits. In addition, our dedicated employees volunteered over 743 hours of community service and actively served on 43 nonprofit Boards in the greater Milwaukee area. We're delighted to give back to our community, and this is just one of the many ways we rekindle our passion in our hometown, every day.

Speaking of investment in our hometown, we were overjoyed to return as the presenting sponsor of the Milwaukee Air and Water Show. While COVID-19 caused a brief hiatus, the 2022 show returned bigger and better than ever! Beautiful Wisconsin summer weather, record attendance, and the firsthand sights and sounds of the headlining Blue Angels – it doesn't get much better than that! Mark your calendar for July 22 and 23 at Milwaukee's lakefront. This “can't miss event” is a summer highlight that unites the community, supports our armed forces, and provides a substantial impact on Milwaukee's local economy.

Our community patronage only begins there. From our continued support and pride of the Komen More Than Pink Walk to the presenting sponsorship of the Waukesha Walk of Lights, TMJ4 Community Baby Shower, and our new employee donation match program, it's our mission to enrich this community as your community bank.

Thank you for putting your trust in WaterStone Bank and our exceptional team. As we eagerly look forward to serving you in 2023, we hope you've come to enjoy some of our new programs and services. From the online appointment scheduler to our Stepping Stone accounts focused on establishing a financial footing, and our partnership with the Association of Military Banks of America, we aspire to uphold our slogan, “it's all here for you.” This wouldn't be possible without the hard work and dedication of our incredible employees. They are our greatest asset and the reason Waterstone Financial Inc. was ranked 16 out of 119 U.S. publicly traded banks of comparable asset size, and the top-rated publicly traded bank in Wisconsin. To top it off, WaterStone Bank was once again named a Top Workplace by the Milwaukee Journal Sentinel. The next time you stop in, please thank our employees. They make us who we are – yesterday, today, and tomorrow.

From our WaterStone Bank family to yours, we wish you a happy, healthy, and prosperous 2023 filled with hometown pride and the best our community has to offer!

Sincerely,

A handwritten signature in black ink that reads "Doug Gordon". The signature is fluid and cursive, with the first name "Doug" and last name "Gordon" clearly legible.

Douglas S. Gordon

Business Highlights



Business Customer Spotlight: **PRE / 3**™

At WaterStone Bank, we pride ourselves on the Southeastern WI community! The community is only as great as the local businesses and community members that encompass it, and we can't help but put a spotlight on PRE/3.

With over 45 years of operational excellence, PRE/3 specializes in providing property management and development services for investors, no matter the size or location. With a niche in the multifamily market, PRE/3 is especially passionate about assisting first time investors.

This passion grew from their own path to success. What started as a single-man team managing an 8-family apartment building in southeastern Wisconsin has grown to a company of 549 employees serving residents in nearly 18,000 apartment units across 16 states. PRE/3's industry expertise has grown over the years alongside their investments.

PRE/3's veteran team holds a strong loyal following among the real estate investor industry; thanks to the team's experience and professionalism, many real estate

investors attribute the growth of their own companies to the real estate investment and management business knowledge they gained from PRE/3.

PRE/3 continues to seek out long-term investments as they expand their portfolio, as well as those of their clients.

For more information on PRE/3, their properties, and services, visit their website at pre-3.com. 📄

Contact a Business Banker today

(414) 761-1000, toll-free at (888) 686-7272
to learn how we can add value to your business.



*Give the gift of better
banking and reward yourself too!*

Refer a business

*and
get* **\$200[^]**

[^] \$200 bonus will be credited to referring customer's WaterStone Bank SSB (WSB) depository account within 30 business days of the business you refer opening an account with WSB or 30 business days from when the certificate is issued by the bank for accounts opened online. The business you refer cannot be an existing WSB customer, and the new account must have been opened within 90 calendar days of certificate issue date. Account minimums apply. Business account minimums include: \$100 minimum to open a Checking Account; \$100 minimum to open a Savings Account; \$100 minimum to open a Business Money Market; \$5,000 minimum to open a Promotional CD; \$1,000 minimum to open a Standard CD. Certificate must be presented at the time of new account opening by the individual or business you refer for you to obtain the bonus. If the new account was opened online, certificate must be mailed to WaterStone Bank, 11200 West Plank Court, Wauwatosa, WI 53226 or dropped off at a WSB branch within 14 calendar days of account opening. By using the referral certificate, the business you are referring will be aware that you are a customer of WSB. Employees and agents of WaterStone Bank SSB, its respective affiliates and subsidiaries and members of their immediate families and households are not eligible. For tax reporting purposes, a 1099 will be issued at yearend to recipients of bonuses. Offer subject to change at any time. REV090122

Understanding Closing Costs



If you're planning to buy a home or refinance your mortgage soon, you won't regret setting aside some extra money for your closing costs. Closing costs are the various charges associated with the mortgage transaction that are above and beyond the purchase price of the property or loan amount.

Sellers are required to pay some closing costs too, like a commission to the real estate agent. Buyers' closing costs, on the other hand, can involve a variety of fees.



Types of Closing Costs

Title Work: A title company will do research to ensure there are no liens, claims, etc. on the property. Once the title company confirms there are no encumbrances, a title policy will be issued.

Appraisal Fees: An appraisal is a written estimate of a property's market value. This is based upon the sale of other properties in the area, the property's condition, and

features such as the size, number of rooms, and architectural features.

Home Inspections: A home inspector visually inspects a home for immediate or potential problems. The inspector will provide a report detailing any issues with the property and recommendations for further evaluation.

Credit Report Fees: A credit report is a detailed report of an individual's credit history.

Recording Fees: Recording fees are charged by a government agency for recording or registering a real estate transaction. It makes the sale public record.

Origination Fees and Points: Mortgage lenders typically charge a fee to cover the cost of processing the loan.

Title Insurance: There are two types of title insurance policies – owner and lender. Just as lenders require fire insurance and other types of insurance to protect their investments, nearly all institutional lenders require title insurance to protect their interests.

Reserves For Taxes and Homeowners Insurance: Reserves are extra money lenders require a home buyer to have in the bank at closing. For example, if a lender says a buyer needs a three-month reserve, they are looking for enough money in the bank to cover three months of mortgage payments. This will also help cover things like property taxes and homeowners insurance.

How Much Will I Have to Pay in Closing Costs?

The total closing costs for your home loan will vary depending on your situation and your location. Within three business days of application, you'll receive a Loan Estimate with an anticipated amount of closing costs. The total amount of closing costs will be provided by your lender at least three business days before your closing. This information will be included in your Closing Disclosure, which is similar to the Loan Estimate but contains additional details on the costs associated with your mortgage.

During this three-day window before your closing, you'll have time to ask your lender any questions you may have about your mortgage and closing costs. Typically, a buyer pays all the closing costs associated with a transaction. Depending on your state laws, however, the seller may end up paying a portion of the buyer's closing costs.

It's important to keep in mind that you will also need to pay closing costs when refinancing your mortgage. Many homeowners overlook this cost when planning for their refinance.

In total, closing costs typically range from 2 to 4% of your mortgage loan amount. While closing costs are a necessary step to achieving homeownership, you can rest assured your money will be invested wisely as you build equity that will benefit you in the future. ☞

Article provided by

Waterstone
MORTGAGE

2022 IRA Contributions

The last day to make Traditional or Roth Individual Retirement Account (IRA) contributions for the 2022 tax year is Tuesday, April 18, 2023. The 2022 contribution limit is \$6,000 with a catch-up contribution of \$1,000 if you are age 50 or older.

Stop into your local branch or contact the Customer Support Center at (414) 761-1000 (toll-free at (888) 686-7272) for more information. ☞



Spring Break Travel on a Budget

By the time spring break rolls around, many of us in Wisconsin are ready for a reprieve from the Midwest winter. Fortunately, there are plenty of ways to plan a spring break escape on a budget, and some options don't even require booking a plane ticket.

Here are a few tips for planning your affordable spring break trip.

1. Avoid traveling to popular destinations during peak times.

Many spring breakers have the same idea: Beeline to the beach in late March. But if you're flexible on timing and open to a unique destination, you could save money.

Look into destinations beyond the beach that may offer more affordable accommodations and flights. For far-away destinations, do your research to determine the best time to score a deal on flights—some experts swear by last-minute deals, while others emphasize

the importance of tracking flight prices well in advance to jump on early savings.

2. Weigh the pros and cons of all-inclusive resorts.

All-inclusive resorts can be an attractive option for frugal travelers. By paying upfront for all your food, drinks and on-site entertainment, you never have to worry about a surprise bill throwing a wrench in your vacation budget.

On the other hand, an all-inclusive may not be worth it if you don't think you'll take full advantage of everything the resort has to offer; maybe you're planning a lot of excursions away from the property, or you're not much of a drinker. Look closely at the price differences and consider your travel priorities to determine whether an all-inclusive resort makes sense for your budget and your travel preferences.

3. Plan a getaway closer to home.

Maybe a warm-climate destination isn't feasible this year for logistical or financial reasons. But that doesn't mean you have to stay stuck at home. Many indoor waterparks across the state and the region offer a drivable destination where your family can enjoy a taste of summer fun without requiring a long-haul flight.

Watch for deals and promotions that might be available for reservations made during the week (rather than weekends), deals for early booking or last-minute deals. You can also opt for a day trip to a nearby destination to avoid paying for an overnight stay.

For this and other great articles, check out the WaterStone Bank blog at wsbonline.com for new posts updated monthly. 📧



Community BABY Shower

January may be known for crisp white blankets of snow or the reprieve following the holidays, but at WaterStone Bank, January was celebrated with the sponsorship of the 20th anniversary TMJ4 Community Baby Shower. All 14 of our branches collected baby essentials like diapers, formula, clothing, blankets, and toys to benefit local babies in need.

We were thrilled to participate in this opportunity, further promoting the Bank's support of community giving and fostering our advocacy for women and children (one of our four core giving categories). As we considered the 2023 beneficiaries, we wanted to ensure that the support would stretch across all Southeastern Wisconsin. It also allowed us the opportunity to promote some of our long-standing relationships and open the door to new ones.

The 2023 recipients were:

- Robyn's Nest/Children's Wisconsin
- Gerald Ignace Health Center
- Milwaukee's New Horizon Center
- La Causa Crisis Nursery
- Sojourner Family Peace Center
- Women's Center of Waukesha

Thank you for your support of this partnership, and local babies in need.

For more information on the WaterStone Bank Foundation, visit wsbonline.com/foundation.

About the WaterStone Bank Foundation:

WaterStone Bank established the WaterStone Bank Foundation with the Waukesha County Community Foundation in 2002 ensuring the bank's ability to continually give back to the communities in which we serve. Our Foundation focuses on four core giving areas for its grants: education, women and children, community development, and veterans' initiatives.

Are you involved with a local non-profit organization that falls into one of our core giving areas? If you'd like to ask for a donation from the WaterStone Bank Foundation, you can submit a donation request via our Donation Request Form at wsbonline.com/foundation. 📧



Should You Prepare to Retire on 80% of Your Income?

Examining a long-held retirement assumption

A classic retirement preparation rule states that you should retire on 80% of the income you earned in your last year of work. Is this old axiom still true, or does it need reconsidering?

Some new research suggests that retirees may not need that much annual income to keep up their standard of living.

The 80% rule is really just a guideline. It refers to 80% of a retiree's final yearly gross income, rather than his or her net pay. The difference between gross income and wages, after withholdings and taxes is significant to say the least.¹

The major financial challenge for the new retiree is how to replace his or her paycheck, not his or her gross income.

So concluded, Texas Tech University professor Michael Finke, who analyzed the 80% rule and published his conclusions in *Research*, a magazine for financial services industry professionals. Finke noted four factors that the 80% rule does not recognize. One, retirees no longer need to direct part of their incomes into retirement accounts. Two, they no longer involuntarily contribute to Social Security and Medicare, as they did while working. Three, most retirees do not have a daily commute, nor the daily expenses that accompany it. Four, people often retire into a lower income tax bracket.¹

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations: 1. <http://www.michaelfinke.com/research.html> [2022] 2. <https://www.ebri.org/retirement/retirement-confidence-survey> [2022] 3. <https://www.thestreet.com/retirement/want-to-be-rich-in-retirement-plan-better-save-more> [2/23/22]



Article provided by John Gehlhaart, Sr. Wealth Advisor,
(262) 696-7170 | JGehlhaart@wsbinvestments.com
waterstoneinvestmentservices.com

Given all these factors, Finke concluded that the typical retiree could probably sustain their lifestyle with no more than 77% of an end salary, or 60% of his or her average annual lifetime income.¹

Retirees need to determine the expenses that will diminish in retirement. That determination, rather than a simple rule of thumb, will help them realize the level of income they need.

Imagine two 60-year-old workers, both earning identical salaries at the same firm. One currently directs 25% of her pay into a workplace retirement strategy. The other directs just 5% of her pay into that strategy. The worker deferring 25% of her salary into retirement savings needs to replace a lower percentage of their pay in retirement than the worker deferring only 5% of hers. Relatively speaking, the more avid retirement saver is already used to living on less.

This is a hypothetical example used for illustrative purposes only. It is not representative of any specific investment or combination of investments.

New retirees may not necessarily find themselves living on less. The retirement experience differs for everyone, and so does retiree personal spending. A recent Employee Benefit Research Institute survey found that over a third of retirees report spending more than they had originally expected.

Only 9% reported that they were spending less than they had expected.²

A timeline of typical retiree spending resembles a "smile." A 2013 study from investment research firm Morningstar noted that a retiree household's inflation-adjusted spending usually dips at the start of retirement, bottoms out in the middle of the retirement experience, and then increases toward the very end.³

A retirement budget is a very good idea. There will be some out-of-budget costs, of course, ranging from the pleasant to the unpleasant. Those financial exceptions aside, abiding by a monthly budget (with or without the use of free online tools) may help you to rein in any questionable spending.



Any retirement income strategy should be personalized. Your own strategy should be based on an accurate, detailed assessment of your income needs and your available income resources. That information will help you discern just how much income you will need when retired. ☞



Winter Weather

WaterStone Bank wants to keep you informed of changes to normal branch hours in the event of inclement weather.

Please visit our website at wsbonline.com or call the Customer Support Center at (414) 761-1000 (toll-free at (888) 686-7272) before venturing out. Branch closures are also posted on local news stations, our Facebook page, Twitter account, and Instagram.

Don't let Wisconsin weather stop you from tackling your to-do list! With Digital Banking, consumer and business customers can enjoy a streamlined, integrated, and secure digital banking experience – anywhere, anytime, and on any device. ☞

Ask the Expert

Joel Maske, Community President
Germantown

Q: With interest rates on the rise, how can I make my savings work for me?

With the cost of living on the rise, it's more important than ever to tune in to your finances. A great place to start is with an assessment of your budget. My personal favorite is the 50/30/20 rule. The idea is to divide your income into three categories, spending 50% on needs, 30% on wants, and 20% on savings. This is a simple idea but effective, and is especially helpful for those who may be new to budgeting.

If you have a little financial cushion to work with, I recommend CD laddering. CD laddering is where you invest in several certificates of deposit with staggered maturities. This allows you to take advantage of higher rates on longer-term CDs, while keeping some of your funds accessible in the near term. You'll redeem funds more often than if you put your savings in a long-term CD, while still reaping long-term benefits.



Another great investment option, especially if you're looking for the ability to easily withdraw funds is our Ultimate Money Market account. It's new and improved and allows you to gain more interest depending on how much money you deposit into the account. This is a great way to take advantage of variable interest rates while still enjoying access to your funds. It's simple, the more money you put into the account the more interest you earn.

And, if you're looking for the guidance of a financial advisor to support you and your financial health, let me recommend WaterStone Investment Services. Take the fear out of your financial future with options tailored to your needs and lifestyle.

At WaterStone Bank, it's all here for you! 

If you have specific questions about any banking products that you would like addressed in this column, please email Marketing@wsbonline.com, or send your inquiry to: "Ask the Expert," WaterStone Quarterly, WaterStone Bank, 11200 W. Plank Ct., Wauwatosa, WI 53226. "Ask the Expert" is intended to provide general information and is not intended to provide terms and conditions of any bank product. For more information, please visit a branch office, wsbonline.com, or call the Customer Support Center at (414) 761-1000.

Bank Sponsored Events

February 16	Tempo 33rd Annual Mentor Awards
March 14	Alzheimer’s Association Gala
April 14	Potawatomi Area Council, Boy Scouts of America Leadership Breakfast
April 20	Pathfinders 2023 Streets – An Evening for Youth Empowerment
July 22-23	Milwaukee Air & Water Show
August 14	St. Vincent de Paul Golf Outing
October 28	2nd Annual Jack-O-Lantern Jubilee

Bank Hours

LOBBY		
Monday - Friday	9:00 am -	5:00 pm
Saturday	9:00 am -	12:00 pm
DRIVE-UP		
Monday - Friday	8:30 am -	5:30 pm
Saturday	8:30 am -	12:00 pm
CUSTOMER SUPPORT CENTER		
Monday - Friday	8:30 am -	5:30 pm
Saturday	8:30 am -	12:00 pm





It's all here *for you.*

PRSR STD
U.S. POSTAGE
PAID
MILWAUKEE, WI
PERMIT NO. 0188



If you love banking here, you'll love working here!
Visit wsbonline.com for a listing of
current employment opportunities.

WaterStone Quarterly

Health Savings Account



Lower Healthcare Costs



Funds Roll Over Into New Year



Checks & HSA Debit Card
with ScoreCard Rewards



Easy To Use Digital Banking App



wsbonline.com

(414) 761-1000



Member
FDIC EQUAL HOUSING
LENDER NMLS#407327