



# Trust News

*Place Your Trust In Us*

**2nd Quarter 2008**

## ELDERCARE

If you are suddenly faced with the prospect of becoming the caregiver for an elderly family member or friend, the prospects can be daunting.

There is help to be had:

1. Talk to people who have already done this. They can save you time and trouble.
2. There are web sites that will guide you in your search. Try visiting [www.eldercarelink.com](http://www.eldercarelink.com) or [www.agis.com](http://www.agis.com). Both these sites will get you started in your quest for information on how to proceed in your eldercare journey.
3. Contact your local Agency on Aging office. You will find good, local help there.
4. If you are trying to find a live-in person, check references and past work experience very carefully.
5. Consider an Assisted Living facility where laundry and cleaning service are included, along with three meals daily. Activities and transportation are normally part of the package. This route will not be covered by Medicare or Medicaid, but likely will be covered by Long-Term Care Insurance.
6. A Skilled Nursing Center is another option. If an individual is in a rehabilitation program, Medicare will pay up to 99 days of rehab expenses. Otherwise it does not pay. The resident will then be either private pay or may be eligible for Medicaid. Check with your local office of the Department of Human Services.

For more detailed information with contact information, please feel free to contact us direct at (501) 985-4030.

## CONTRIBUTE TO YOUR IRA

You have until April 15, 2008 to make a contribution to your Individual Retirement Account (IRA) for tax year 2007. If you have not done so, remember that you can contribute up to \$4,000 (\$5,000 if you are over age 50).

This is also a wise time to contribute to your IRA for this year (2008). An early contribu-

tion means you start earning income now instead of a year from now. For 2008 you can contribute up to \$5,000 (\$6,000 if you are over age 50) for the year.

For detailed information, please call Jo Anderson at (501) 985-4033. She will help you with new contributions or rollovers.

### Inside this issue:

What About Hospice?	2
Credit Card Use	2
What is an "Agency" Account?	2
Financial Markets	3
Special Veterans Benefit!	3
Contact Our Staff	4

### Special points of interest:

- *Hospice: end-of-life care. What is it? How does it work? How is it paid for?*
- *Special Veterans Benefit that few people have heard of. May pay up to \$1,519 per month for living expenses.*

# WHAT ABOUT HOSPICE?

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Speaking of “eldercare”, you may wonder just what is hospice. Hospice is a very special way of providing comprehensive health care to patients and families who are facing a life-limiting illness. Hospice care assures patient and family comfort when a medical cure is no longer possible.

Hospice is not a place. It is a special way of caring for terminally ill patients. Hospice care is provided in patients’ homes, assisted living facilities, residential care facilities, nursing homes, hospitals and inpatient hospice centers. So you have many choices.

Hospice care neither hastens death nor prolongs life, but enhances the quality of life for as long as life lasts. The care supports the terminally ill patient and his/her family.

Hospice is provided by Medicare, Medicaid, most private health insurance providers, private pay and charitable services. The care is directed by the patient’s physician.

You can learn more about hospice care by visiting the web site of Arkansas Hospice at [www.arkansashospice.org](http://www.arkansashospice.org). You can also contact them

5600 West 12th Street  
Little Rock, Arkansas 72204  
501.748.3333 or Toll Free  
877.257.3400

Hospice services provide physical, medical, and spiritual assistance. The service provides bereavement help after the patient is deceased.



# CREDIT CARD USE

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In some ways credit cards are like fire: if used wisely, they provide convenience and comfort. If used improperly, they can be devastating.

An unfortunate attitude that some users seem to have is that when they charge something to their card it, somehow, isn't real money. But, of course, it is. The debt has to be paid. When paid incrementally (monthly), significant interest charges are levied.

Those interest rates may range from 12% to 21%. While this may be good for the credit card company, it may place the user on a hamster-like wheel—running hard and going nowhere.



Treat credit cards like money and make every reasonable effort to pay them off monthly. This is a wise and prudent use of a great tool.

# WHAT IS AN “AGENCY” ACCOUNT?

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An “Agency” account is really an Investment Management Account (IMA) that a client sets up and asks our Trust Department to act as his “agent” to buy, sell, invest and manage his funds.

The client (or investor) has sole control over the account and the Trust Department handles the transactions for the account, as well as doing all the accounting and providing tax information at the end of

the calendar year.

Funds can be readily transferred from the Agency account to a checking or savings account by simply calling our Trust Department—we work with our clients by voice recognition.

The client receives a statement each month showing all activity, expenses, losses and gains. Call (501) 985-4030 for more information.

# FINANCIAL MARKETS

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My grandfather used to tell me "be patient—for this, too, shall pass". I'm thinking that is good advice in this financial environment.

So much has been written and said about the sub-prime lending debacle that has seriously impacted the financial markets. It has led to revelations about shaky and unstable investments by major Wall Street investment banking and brokerage firms. These companies such as Merrill Lynch and Citigroup have had to recognize major losses, write them off the books and seek major investors. Fortunately, the CEO's of both these firms have had the foresight to take those drastic actions so that they will be poised to conduct good, profitable and sensible business in the future.

Just as night follows day, the "sins of our

fathers" will be found out! When companies participate in unsound business practices, they will eventually pay the price. That is what has happened in the sub-prime home mortgage crisis. A house of cards was created that has fallen.

The pain of the fall will surface strong, responsible corporate leaders.

Over-eager lenders cannot design loan products with steeply escalating adjustable rates and make the loans to borrowers who either don't or won't try to understand what they are getting without trouble coming.

Both lenders and borrowers have to accept the unfortunate but inevitable consequences of bad business practices.

## SPECIAL VETERANS BENEFIT!

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There is a little-known benefit for veterans that has been available for 57 years. It is called Aid & Attendance Special Pension that provides veterans with a pension for assisted living and home-bound care.

Detailed information can be gathered by calling the U.S. Department of Veteran Affairs at (800) 827-1000 and follow the prompts. Or you can visit [www.va.gov](http://www.va.gov). When you get to the web site there are several areas worth visiting: "health care", "benefits" and "eligibility".

This special pension could provide \$1,519 per month to a veteran, \$976 per month to a surviving spouse, or \$1,801 per month to a couple. The benefit is dependent on health and financial need.

Financial conditions are more liberal than Medicaid. A person doesn't have to factor a home, car, or life insurance into the calculations, but he or she must have less than \$80,000 in assets. If a person is over 65, he or she might qualify for the pension, even if they're healthy but meet the financial conditions.

Don't be surprised if local representatives might not have heard about the Aid & Attendance Special Pension.

Since the application process can be daunting, a web site has been created by a user and is located at [www.veteransaid.org](http://www.veteransaid.org) to assist those who want to pursue benefits. There a links to the forms needed to complete the process. Be sure to check out the "Join the Forum" section of the site for more suggestions.

In addition, records of financial assets, medical visits, and medications will be necessary. Make copies and don't submit originals.

There are two other free web sites than can help in the process.

[www.vetassist.org](http://www.vetassist.org) and [www.americanveteransinstitute.org](http://www.americanveteransinstitute.org).

Please don't hesitate to contact your local Veterans Affairs Officer about other benefits and programs which might be helpful for your veteran. That's what they are there for!



# YOUR TRUST DEPARTMENT

**FIRST ARKANSAS BANK & TRUST** has a long and proud history of service in central Arkansas. We are a state-chartered bank, chartered by the State of Arkansas, and regulated by the State Bank Department and the Federal Deposit Insurance Corporation (FDIC). We have a full-service Trust Department, a brokerage office, and a mortgage company, First Arkansas Mortgage Company, a wholly owned subsidiary of the bank.

The **Trust Department** was granted trust powers in 1972, and provides investment and trust services to individuals (Personal Trust), businesses (Employee Benefit Plans), and Corporate Trust in the form of servicing bond issues. The **Trust Department** manages approximately \$120 million in assets for its clients. **Assets under management have grown over 60% during the past nine years.** The service provided is professional, confidential, personal, and utilizes the finest resources available in market research, investment information, and administrative systems. **For the past 10 years we have had only one person change on our staff — stability! You can depend on us.**

The **Trust Department** of **First Arkansas Bank & Trust** is large enough to provide the quality of service its clients deserve, and small enough to provide a level of **personal** service appreciated by people who have accumulated some wealth.

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## CONTACT US VIA E-MAIL OR TELEPHONE

### **PAT TEAGUE**

Senior Vice-President  
Manager - Trust Department  
(501) 985-4039  
pteague@firstarkansasbank.com

### **JOHN McNEE**

Vice-President  
Trust Officer & Investment Officer  
(501) 985-4032  
jmcnee@firstarkansasbank.com

### **ROBIN BOYKIN**

Vice-President  
Assistant Trust Officer  
Operations Manager  
(501) 985-4031  
rboykin@firstarkansasbank.com

### **GAIL CROWDER**

Operations Specialist  
Bonds / Disbursements  
(501) 985-4030  
gcrowder@firstarkansasbank.com

### **JO ANDERSON**

IRA Specialist / New Accounts  
(501) 985-4033  
janderson@firstarkansasbank.com

### **TANYA BUTLER**

Operations Specialist / Daily Processing  
(501) 985-4036  
tbutler@firstarkansasbank.com



## First Arkansas Bank & Trust

600 West Main Street P.O. Box 827 Jacksonville, AR 72078

501.985.4030 or 800.982.4511

[www.firstarkansasbank.com](http://www.firstarkansasbank.com)