

The Truth About Home Ownership

The American Dream is Alive and Well



The news about real estate markets over the past 18 months may make you question the wisdom of buying a home. Fortunately, the American Dream is alive and well, so allow us to correct some common myths and misperceptions about today's housing market:

Myth #1: "You need a 20% down payment to get a home loan."

Truth: There are many home loan options available that feature very low down payments.

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A popular option are loans insured by the Federal Housing Agency (FHA). Because these loans are backed by a government guarantee, they require only a 3.5% down payment (3.5% of the value of the home you purchase.) FHA loans feature competitive rates that are comparable to "conventional" loans that typically require higher down payments. Visit one of our Home Loan Consultants today to learn more about the low down payment options available to you at First Federal Bank.

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From the Chairman

Clarence Zugelter
Chairman of the Board, President and Chief Executive Officer

Happy New Year!

October 1st marked the beginning of First Federal Bank's new Fiscal Year for 2012. Fiscal Year 2011 was a challenging year for financial institutions nationwide, due to many pieces of the new financial legislation passed by Congress, and the current economic environment.

But in spite of the many challenges we faced during Fiscal 2011, First Federal Bank was successful. We were successful because for over 75 years, First Federal has kept its focus on what we know and do best: making home loans and helping our customers become more financially successful.

As a mutually owned institution, we focus on the long term benefit of programs that benefit our customers, not short term gains. I am pleased to report that we ended the year with over three times the capital required to be considered a strong and secure bank. Many banks have struggled to maintain adequate capital levels required by Federal banking regulators. Regulators consider a bank that has reserves equal to 5% of its assets to be well-capitalized.

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Totally New Website Launched at FFBKC.com



Our site has a new look and feel, and a more user-friendly organization that makes it easier to find useful information about our services, and banking center locations.

Improvements include a search bar, located in the top right corner of each page that makes it easy to search our site for the information you're looking for.

You can also log in to Online Banking from any page on the site. Visitors will also find a host of new, interactive calculators for setting up a family budget, balancing a checkbook, creating a debt elimination plan and more.

We invite you to check out all the improvements for yourself: visit the new First Federal Bank website today at www.FFBKC.com!

At the beginning of November, First Federal Bank launched a completely redesigned and user-friendly website at FFBKC.com. The new website showcases all the ways we can help new and existing customers become more financially successful.

The American Dream: *Continued from page 1*

Myth #2 "There aren't any down payment assistance programs available."

Truth: There are several state and community down payment assistance programs for First Time Homebuyers and we can help you get qualified. One of the best options for Missouri home buyers is the Down Payment Assistance program from the Missouri Housing Development Commission (MHDC.)

We were recently recognized by the MHDC as a Gold Lender because we helped so many buyers take advantage of this outstanding program! Many local cities also have assistance programs available, so there ARE options for you!

Myth #3 "You need a perfect credit score to buy a home."

Truth: A good credit score helps, but you



certainly don't need an 800+ score to buy a home. In fact, First Time Homebuyers can qualify for the MHDC options mentioned earlier with scores under 700!

Myth #4 "A home is just not a good investment anymore."

Truth: Yes, some values have dipped, but as the old saying goes, "buy low, sell high." There are a number of high-quality affordable homes available, so it is a great time to buy.

Myth #5 "I can't afford to buy a home."

Truth: Lots of families that are currently renting could easily afford to buy their own home! We can help you identify the price range you can afford and guide you through the home loan process.

We're Ready to Help! Despite all the negative news, there really are resources available for home buyers! Contact us today at (816) 241-7800 or visit www.FFBKC.com to learn more about home loan options.

Bank Earns Awards for Long-Term Support

The Missouri Colleges Fund and Better Business Bureau Recognize First Federal for over 50 Years of Support

In August First Federal Bank received an award from the Missouri Colleges Fund recognizing the bank for more than 50 years of donations to the organization's scholarship fund. The fund provides scholarship funding for a number of colleges in Missouri, including Avila, Park, Rockhurst and William-Jewell.



First Federal also received an award from the Better Business Bureau of Kansas City in recognition of being a member for over 77 years. First Federal Bank has been a member since 1934 and maintains an A+ Accreditation from the Better Business Bureau of Kansas City.

From the Chairman: *Continued from page 1*

Our capital level of over 15% makes First Federal Bank one of the strongest and best-capitalized banks in the region.

During the past year we faced many challenges resulting from changing laws and regulations. Our Bank's primary federal regulator, the Office of Thrift Supervision (OTS), was combined into the Office of the Comptroller of the Currency (OCC) as required under passage of the Dodd-Frank financial legislation.

Additional regulatory changes impacted our Bank's debit card income and the administration of overdraft checking account programs. I am pleased to share that our First Federal Bank Team successfully implemented all of the new regulatory changes AND stayed focused on accomplishing our mission of helping customers buy homes and become more financially successful.

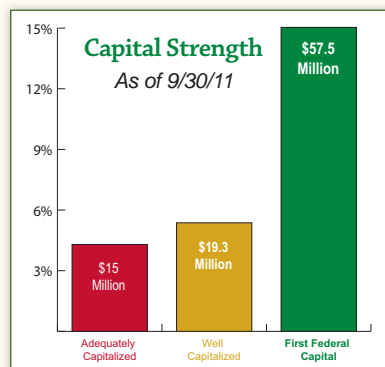
Last year First Federal Bank helped nearly 1,100 families buy a home, refinance or make home improvements by lending them more than \$170 million. Additionally, we opened over 2,400 new checking and savings accounts in the Fiscal year.

As we begin Fiscal Year 2012 we are eager to accept the promise of continuing to serve our customers with even more home loan options and more ways to become financially successful. On October 1st,

we expanded our lending operations by starting an Internet-based mortgage lending division. We have also greatly enhanced our website, at FFBKC.com, with many new features that we are confident our customers will find valuable and enjoy.

As we welcome "the new year," we reflect upon how fortunate we are to have such loyal and wonderful customers; I wish to express my deep appreciation to all the wonderful families we serve. I also thank our talented staff that pledges to continue to provide a friendly strong financial institution that will continue to work hard every day to earn your loyalty. Best Wishes!

Clarice J. Zupelto





Pay Yourself First

With the holidays just around the corner, it's a good time to open a Pay Yourself First Savings Account.

It's the fast and easy way to build Emergency Savings or a Holiday Shopping fund!



First Federal Bank

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For more information about our banking services, please visit the banking center nearest you, or call:

(816) 241-7800
www.FFBKC.com



Your Financial Success is our Mission

Depend on First Federal and "Mr. Foresight" for the help you need

There's no shortage of commercial banks making headlines for all the wrong reasons.

Fortunately, you have First Federal Bank on your side! As a "mutual" bank, we are committed to helping you and your family build a strong financial future and buy a home.

We have launched a new Financial Success section on our website at FFBKC.com where you can learn more about the unique focus we have at First Federal Bank.

You can also "meet" a very special person we know as Mr. Foresight. He's always saving for the future with a little help from

his personal bankers at First Federal. Each of us has a little Mr. Foresight in us, but



we can all use some help when it comes to managing money. That's why you'll find many interactive and easy-to-use calculators on our new website to help you create a

budget, balance a checkbook, buy a home and more!

You can also view and download our 8 Steps to Financial Success guide that gives you a simple and straightforward action plan to follow.

Our goal at First Federal Bank is helping everyone unleash their "inner Mr. Foresight." You can achieve greater financial success with your present income: if Mr. Foresight can do it, so can you!

Learn more today about Mr. Foresight and our strategies for financial success on our new website at FFBKC.com!