



Lusitania Savings Bank, fsb

Main Office: 107 Pulaski Street, Newark NJ 07105
Branch Offices: 210 Ferry Street, Newark NJ 07105
 302 Frank E. Rodgers Blvd., Harrison NJ 07029
 1135 Liberty Avenue, Hillside, NJ 07205
Express Banking
www.Lusitaniabank.com

(973) 344-5125
 (973) 589-1555
 (973) 268-7801
 Coming Soon
 (973) 344-5683
 Coming Soon

FALL 2004 NEWSLETTER

PICNIC 2004 A HUGE SUCCESS



Both customers and employees alike eagerly anticipated this year's 24th Annual Picnic, and the day left none disappointed. With approximately 3,000 in attendance ready to enjoy the day's activities, this annual event was sure to be a celebration of community and family.

As always, the annual Picnic is our way of showing our dedication to the community, as well as, our appreciation to our customers for allowing us to serve your financial needs.

Once again, this year's picnic was held at Forest Lodge in Warren, New Jersey. With basketball courts, volleyball courts, swimming pools, the annual soccer match where Lusitania was victorious 3-2 against Tras-os-Montes e Alto Douro, food and entertainment provided by The Magic Band. This year, we also got to enjoy the viewing of Euro2004, as we saw Portugal versus Spain. The day left nothing to be desired and gave everyone plenty to do. Lusitania would like to thank all of this year's participants for, once again, making this annual tradition a phenomenal success.



NIGHT DEPOSIT BOX



**NOW AVAILABLE AT
OUR FERRY BRANCH
(210 FERRY ST)**

Attention Businesses
 Tired of rushing to the bank to find out that they are closed?
 Does your business generate a lot of money after bank hours?
 Why not leave your deposits in our night deposit box!
 Not only is it Safe and Reliable, your deposit is credited as early as the next day!

Any questions contact any Customer Service Representative for more details!

EXPRESS BANKING



**LUSITANIA'S PHONE
BANKING SYSTEM
(973) 344-5683**

NOW 24 HOURS/ 7 DAYS A WEEK

Lusitania's Phone Banking System is available for your convenience with 24 Hours/7 Days a Week service. From the privacy of your home or office you can access information and conduct transactions on your account in seconds, including:

- * Fund Transfers
- * Account Transaction History
- * Loan Account Inquiries
- * Savings and Checking Balance Inquires
- * Merchant Check Verification
- * Loan Calculator
- * Product and Services Information

WESTERN UNION® A First Data Company



DON'T SEND MONEY THE SLOW WAY!

Lusitania Savings Bank offers Quick Cash®

The safe and reliable way to send funds around the world.



If you need to send money fast, you can now use this new speedy service to pay for emergency medical services, school tuition, a maturing loan, or for any other reason that cannot wait! This convenient money transfer service allows Lusitania Savings Bank depositors to send money to their family members or friends in any of the 170 countries served by Western Union. Funds can be sent virtually anywhere to more than 100,000-plus Western Union Agent locations directly from Lusitania Savings Bank. Within minutes of a transaction, the recipient can pick up the cash payment in their local currency- where applicable-at the desired agent location (subject to hours of operation of the receiving location.)

Western Union® Quick Cash® offers many powerful advantages. For example, it's usually faster than bank wires and eliminates the time delays and hassles of cashing foreign checks. The low, per-transaction fee is typically less than the cost of cutting a check and sending it via express courier. As the world's largest money transfer network, the Quick Cash Service provides a reliable way of transferring money every time.



TAKE A LITTLE OFF THE ROOF HOMEOWNERSHIP HELPS YOU LEGALLY AVOID TAXES

A great benefit that most homeowners can take advantage is the ability of saving on taxes. Your house may be a good provider of deductions that can save you thousands of dollars each year on your tax bill. Here are just some tax reductions strategies you should take in consideration.

Home Office - If you making money through a home based business, you are able to reduce your taxable income by deducting expenses related to a home office.

Mortgage Interest - This is a big one! Homeowners with a mortgage can turn all interest paid on their loan into a deduction right off the top. Consider using a home equity line of credit when purchasing a car or making any other major purchase and you may include all the interest paid, versus a car loan or credit card purchase where the interest is not tax deductible.

Capital Gains Roll Over - If you are a real estate investor, you can avoid capital gains taxes when you sell one investment property and buy another property. This is called a 1031 Exchange or Starker Exchange. It allows you to roll over all the gain from one property to the next without paying capital gain taxes. Lusitania offers a great investment property financing program that can assist you. Capital gains tax rates were also reduced to 5% and 15% depending on your income thanks to the 2003 Tax Act.

Invest in real estate, Lusitania Savings Bank can provide you with the financial power you need!



AUTO LOANS NEW OR USED

SIMPLE & AFFORDABLE

New or used, if you're buying a car we have the loan for you!

We are ready to give you the quick answers you need.

QUICK APPROVAL PROCESS COMPETITIVE RATES

Give us a call or pass by our main office today!

We're different - and it's a difference that can save you money

Buying and owning a home is part of the American dream. LUSITANIA SAVINGS BANK represents 24 Years of dedication to the community presenting you with everything you need to know to keep the experience as pleasurable and informed as possible.

Because we are different,

we can offer you honest and clear solutions for all your financing needs, saving you of high costs and providing you peace of mind.

- ✦ **Hard to prove income - No income verification special loan program**
- ✦ **Financing for all types of commercial properties**
- ✦ **Special first time home buyer program up to 90% financing AND NO MORTGAGE INSURANCE**
- ✦ **Personalized closings in our office at your convenience and at no charge to you**
- ✦ **No cost loans - Refinance your mortgage now at a lower % save money and pay \$0**
- ✦ **Exceptional flexible qualification requirements that able us to facilitate all types of home financing**



Our Special programs are offered at the same terms and cost of any other regular loan, you are not charged a higher interest rate or pay more fees or points because you don't fit the characteristics of the "standard" applicant.

Start saving by contacting our Loan Department today!

Ask us about our new and very competitive
Loan Programs:

**30 Years Mortgage Loans
Home Equity Loans
Commercial and Personal Lines of Credit**

Important Information About Check 21

What is Check 21

“Check 21” is the name of new and important legislation designed to accelerate the check clearing process. As of now, banks generally transport checks physically to collect the funds represented on the check. Check 21 will allow an institution to create a “substitute check” and transport it electronically rather than physically.

What About My Original Check?

During the process of creating a substitute check, your original check will be “truncated”. “Truncated” simply means the physical check will be removed from the clearing process. The substitute image is used in place of the physical check that was truncated. In return, the substitute image is transmitted and cleared electronically. The bank who truncated your check may destroy it after the substitute image is cleared.

How Is A Substitute Check Different From My Checks

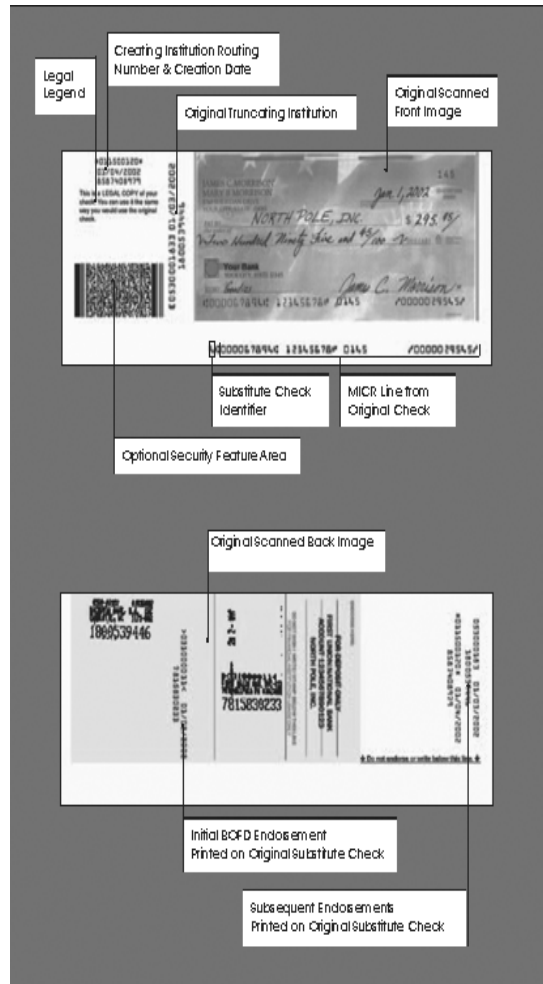
The substitute check is an electronic image of front and rear of your original check. It will conform to size standards of paper checks and contain the MICR Coding found at the bottom of your checks. In fact, the substitute is an electronic image of the original check you wrote. The bank will use this image to clear your check instead of waiting for the paper check to physically arrive. In essence, the new process eliminates the travel time paper checks require while being physically transported from bank to bank.

Will My Checks Clear Faster

Your checks will clear faster because the physical transportation of checks will become unnecessary. When you write a check, it will return to your bank much faster than before.

What About Copies of My Checks?

You will be able to receive a copy of the substitute check, and it will be treated the same under the law as your original check. The substitute check proves that your original was processed through the system.



How Will This Affect My Statement?

If your actual check is returned in your statement, then you will receive a physical copy of the substitute check used in clearing your original check.

What Must I Do

You may continue to write checks as in the past. The accelerated clearing process will occur between the involved banks after you write your check. Therefore, the act requires no new action on your part.

What Are My Rights Regarding Substitute Checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a

result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law. If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How Do I Make A Claim For A Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please write to:

Lusitania Savings Bank, fsb
107 Pulaski Street
Newark, NJ 07105

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- A description of why you have suffered a loss.
- An estimate of the amount of your loss.
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss.
- A copy of the substitute check.



YOUR CREDIT

Do You Know Who's Checking?

Who does really care about your credit? Maybe a lot more people than you might think.

There are the obvious parties who need to verify how you handle credit, like banks, credit card companies and department stores.

But did you know that your boss, insurance agent, landlord and even utilities and cell phone providers can gain access to this information and provide you services, or not based on that? With limited factors upon which to judge your good character, more than ever people outside the lending business are relying on your credit history to check up on you.

Your credit standing is one of your most valuable investments. Be certain that your credit is accurate up to date and fraud free.

You also have access to your credit report thru:

Equifax	1800 685-1111
Transunion	1800 916-8800
Experian	1888 397-3742

Contact the Credit Bureaus and ask about the complimentary credit reports that may be provided to you free of charge.



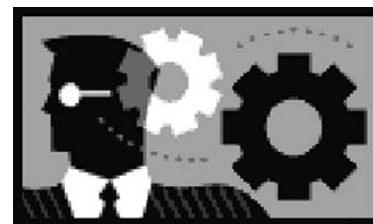
CONGRATULATIONS



All of us at Lusitania would like to congratulate Rita and Levi Santos on their new addition to their family, Lexi Marques Santos

WORD SEARCH

G	N	I	K	N	A	B	S	S	E	R	P	X	E
C	H	E	C	K	T	W	E	N	T	Y	O	N	E
S	A	V	I	N	G	S	T	A	M	P	S	X	G
T	W	E	S	T	E	R	N	U	N	I	O	N	A
A	P	P	R	O	V	E	D	T	M	R	Y	N	G
R	F	G	B	A	N	K	G	O	I	A	I	F	T
D	G	S	W	R	T	G	B	L	N	F	E	R	R
E	U	R	M	O	N	E	Y	O	O	D	L	N	O
B	U	S	I	N	E	S	S	A	R	I	D	Q	M
I	S	E	N	I	O	R	S	N	L	C	F	Z	V
T	L	G	N	I	K	C	E	H	C	E	E	R	F
V	A	L	U	E	C	H	E	C	K	I	N	G	T
S	A	F	E	D	E	P	O	S	I	T	B	O	X
Z	W	I	R	E	T	R	A	N	S	F	E	R	S



Can you help me find these words?

- | | |
|---------------|------------------|
| MINOR SAVINGS | FREE CHECKING |
| MONEY | VALUE CHECKING |
| BANK | STAR DEBIT |
| MORTGAGE | WIRE TRANSFERS |
| APPROVED | WESTERN UNION |
| STAMPS | CHECK TWENTYONE |
| IRA | EXPRESS BANKING |
| YIELD | AUTO LOAN |
| SENIORS | FDIC |
| BUSINESS | RATES |
| | SAFE DEPOSIT BOX |

This newsletter is intended to provide accurate and authoritative information in regards to the subject matter covered. The information in this newsletter is not intended to provide specific advice or recommendations. For legal or other expert advice, we recommend consulting your attorney, accountant, tax or financial advisor.

If you are unhappy with our services please let us know.

NEW EMPLOYEES

Paula Linhares
 Rosalia Oliveira
 Brian Alves
 Kelly Dos Santos
 Jessica Gregorio

FUNDRAISING



Please help us supporting Habitat for Humanity's efforts to eliminate poverty in New Jersey

IMPORTANT NEWS



A new \$50 note has been introduced, followed later by a new \$100 note in late 2004. The new \$50 design retains three of the most important security features that were first introduced in the 1990s and easy to check: a watermark, security thread and color-shifting ink.

Security Thread - Hold the bill up to the light and look for the security thread, or plastic strip, that is embedded in the paper and runs vertically to the right of the portrait.

Color-Shifting Ink - Look at the number "50" in the lower right corner on the front of the note. When you tilt the note up and down the color-shifting ink changes color from copper to green.

Watermark - Hold the bill up to the light and look for the watermark, or faint image, similar to the large portrait of President Ulysses S. Grant. The watermark is part of the paper itself and it can be seen from both sides of the note.

This newsletter is intended to provide accurate and authoritative information in regards to the subject matter covered. The information in this newsletter is not intended to provide specific advice or recommendations. For legal or other expert advice, we recommend consulting your attorney, accountant, tax or financial advisor.

If you are unhappy with our services please let us know.