



Lusitania Savings Bank, fsb

Fall Newsletter

2007

Picnic 2007: A HUGE SUCCESS

Main Office:
107 Pulaski Street
Newark, NJ 07105
(973)344-5125

Branches:
210 Ferry Street
Newark, NJ 07105
(973)589-1555

302 Frank E. Rodgers Blvd.
Harrison, NJ 07029
(973)268-7801

1135 Liberty Avenue
Hillside, NJ 07205
(908)527-7994

Express Banking
(973)344-5683

www.Lusitaniabank.com

Business Days

Our business days are
Monday thru Saturday,
excluding State and Federal
Holidays.

Business Hours:

Monday 9:00 am-6:00 pm
Tues-Thurs 9:00 am-5:00 pm
Friday 9:00 am-7:00 pm
Saturday 9:00 am-2:00 pm

Holiday Schedule:

Veterans Day	Nov. 12
	Closed
Thanksgiving Day	Nov. 22
	Closed
Christmas Eve	Dec. 24
	9:00 am-2:00 pm
Christmas Day	Dec. 25
	Closed
New Years Eve	Dec. 31
	9:00 am-2:00 pm
New Years Day	Jan. 01
	Closed

Both customers and employees alike eagerly anticipated this year's 27th 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 their financial needs.

Once again, this year's picnic was held at Forest Lodge in Warren, New Jersey. With lots of food, basketball courts, volleyball courts, swimming pools, the annual soccer match where Tras-os-Montes e Alto Douro was victorious against Lusitania, and entertainment provided by Mx3 Band, 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.



ONLINE BANKING

Lusitania Savings Bank is proud to announce the newest service available to our customers: Online Banking! Customers are able to access their accounts from the comfort of their homes and always be on top of their transactions.



Visit our web page at www.Lusitaniabank.com and sign up!

Go online and experience the convenience of banking with just one click!

Some Key Features:

- Account Summary
- Funds Transfer
- Account Statements
- Check Images
- Account Alerts



HIGHER EDUCATION

It's worth it all in
the end....



Term papers, tests and tuition... Today's college students have a lot to juggle. Is it worth all that hard work? You bet.

Studies have shown that college graduates enjoy a higher life time income, higher satisfaction rates and even healthier lifestyle. Here at Lusitania Savings Bank we believe it's important to support your education goals. So we offer:

- High interest Educational IRA's
- Home Equity Loans
- Lines of credit with affordable financing alternatives

We can't help with those term papers. But, we can help you graduate. Come talk to us about college savings plans and loans that can be used for tuition and other expenses in college.

EQUAL OPPORTUNITY LENDER



SO MUCH security ALL in one little code!

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Ready to checkout? Check out MasterCard SecureCode first.

The next time you checkout at a participating online merchant you'll be asked by your bank to register your existing MasterCard SecureCode.

MasterCard SecureCode is a private code for added protection against unauthorized use of your card. During checkout, a window from your bank will appear and ask you to activate your SecureCode before completing your transaction. After you've chosen your private code, known only to you and your bank, you'll be able to complete this and all future purchases at participating merchants with added security.

To learn more about MasterCard SecureCode,
Visit www.mastercard.com/securecode



MANAGEMENT TEAM

Augusto A. Gomes: President/CEO
Jorge S. Gomes: Executive V.P./G.C.
Sandra Teixeira: VP of Finance
Maria C Pequito -Duarte: VP of Lending
Florabela De Almeida: VP of Operations

A Message from the President

I've always been fond of the fable of the ant and the grasshopper. It goes something like this:

Once upon a time, the Ant worked hard in the heat all summer long, building his house and laying up supplies for the winter. The Grasshopper thought he was a fool and laughed and danced and played the summer away. Come winter, the Ant was warm and well fed. The Grasshopper had no food or shelter and so he died out in the cold.

It used to be that the mortgage lending market worked in very much the same way. Some folks followed the example of the ant - they worked hard, set aside a sizeable portion of their income for savings and managed their credit effectively. When the time came for these individuals to purchase homes, they already had enough savings for a down payment and their good credit history ensured that they were in great shape to

PAY ATTENTION TO DETAILS TO AVOID PREDATORY LENDERS

Education is a key element in preventing predatory lending, which happens when unscrupulous lenders make illegal loans to those often strapped for cash. When considering whether to buy a home or refinance, Lusitania Savings Bank recommends that you:



- **Read between the lines.** Slick TV ads, telemarketers or door-to-door salespeople will often offer fast, easy loans for houses, cars and home repair, but not disclose all of the details. Read the fine print to make sure what you're told is what you're getting.
- **Check references.** Don't rely on a lender to tell you it is trust worthy. Check with the Better Business Bureau and ask if there have been complaints filed against the lender.
- **Compare all costs.** Mortgages include fees and costs in addition to the monthly payments. Be sure to compare the total cost so that you don't pay more in the end.
- **Double check.** Make sure what you sign is what you agreed to verbally. Don't sign any contract that does not agree with what the salesperson presented.
- **When in doubt ask.** Always question something you may not understand, and seek trusted counsel from a banker, financial advisor, tax expert or even a friend who's been through the process already.
- **You have the right to change your mind.** You can within three days of signing a contract change your mind in which your home is offered as security.

secure financing. On the other hand, the folks who followed the example of the grasshopper did not fare as well. These individuals did not set aside any of their income for future plans and borrowed money recklessly, often ruining their credit in the process. When the time came for these individuals to purchase homes, they found themselves without any financing options.

Unfortunately, the subprime mortgage market changed all of that beginning in the late 1990's. Mortgage lenders suddenly popped up everywhere and were more than happy to finance homes for individuals who, like the grasshopper in the fable, had done little to prepare themselves for the financial burden of purchasing a home. The fact that these folks had little or no money



Continued on next page

for a down payment, had poor credit, and had little possibility of being able to afford loan payments in the future did nothing to stop the explosion of subprime mortgage lending. It seemed as though the lessons of the fable no longer applied to the mortgage lending market - why should the grasshopper work as hard as the ant if at the end of the season, the grasshopper could still get a home of his own?

As we're seeing now with the current economic downturn, subprime mortgage lending was not the magical solution it appeared to be at first. In fact, many individuals who took out subprime mortgages are now worse off as a result of those loans. Some find themselves struggling to meet loan obligations that have increased significantly after their loans' initial "teaser rate" periods. Others find themselves facing the even grimmer prospect of losing their home through

foreclosure.

As a result, the subprime lending market appears to have come full circle. Many banks are reverting back to the much stricter lending guidelines they had in place before the recent subprime lending boom, now opting to restrict their lending to those individuals who, like the ant in the fable, have built up good credit and equity. In light of the many significant financial losses suffered by some mortgage lenders, it appears to have been a very costly lesson to learn.

So in the end, it turns out that the fable of the ant and the grasshopper *did* apply to the mortgage lending market - it's just that too many borrowers and lenders forgot that it did.

Augusto A. Gomes

President/CEO

Phishing Alert

The FDIC has issued an alert that emails appearing to be from the FDIC are being sent that could be a form of phishing. The subject line reads "Urgent Notification - Security Reminder," and asks recipients to install the program. The FDIC is urging financial



Institutions and consumers not to access the link or download the executable file. The FDIC is working with U.S. Computer Emergency Readiness Team to determine the exact effects of the file.

Direct Deposit & You



Direct Deposit - the safest, easiest, way to get your Social Security or SSI payment

Fake Check Scams 101

Don't Fall For Check Scams!

The letter says it's your lucky day! You've won a lottery! And even better, a cashier's check is included, so all you have to do is deposit the check and wire back some money back to the sender to cover taxes and fees. Sound good to you?

There's just one catch:

It's probably a fake check scam!

According to the Federal Trade Commission, fake check scams are one of the fastest growing types of fraud committed against U.S. Consumers.

The Lottery Winner Scam on the left is one example. If you were to deposit the cashier's check and wire the money to the sender, you'd soon find out that the check was bogus and you would be left without any way of getting back the money you wired.

The Check Overpayment Scam is another fake check scam that targets consumers selling items through classifieds or online auction sites. The scammer offers to purchase an advertised item and then comes up with a reason for writing a check larger than the purchase price. The scammer asks the seller to wire back the difference. When the scammer's check bounces, the seller is left liable for the whole amount.

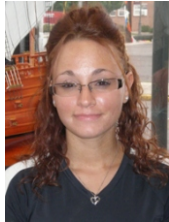
What Can You Do To Prevent Becoming A Victim?

- Never accept a check for more than your selling price.
- Resist any pressure to "act now" – an offer should be good after a check clears.
- If the buyer insists that you wire back funds, end the transaction immediately.
- Throw away offers that ask you to pay for a prize or a gift – if it's free, why pay?
- If you think you've been targeted by a fake check scam, contact the FTC at www.ftc.gov or by calling 1-877-FTC-HELP.

We would like to welcome our New Employees



Steve DaSilva
Gafanha da Encarnacao



Silvia Machado
Vila Pouca de Aguiar



Rosa Mendes
Seia

COMMERCIAL PROPERTY FINANCING



LOW LOW RATES

**With rates as low as ours, not even the
competition can argue!**



- Reasonable Closing Costs
- Flexible Qualifications
- Convenient & Personalized Service

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BANKING SYSTEM
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Home Equity Line of Credit = Peace of Mind

**Apply for a Home Equity
Line of Credit from
Lusitania today!**



You'll have instant access to cash for any need that might arise. Our lines of credit features credit limits up to \$200,000.00, possible tax advantages (consult your tax advisor) and great fixed rates!

Lusitania Savings Bank Scholarship Awards

Congratulations to the following recipients:

Annabela Cunha
COPAE Scholarship winner
Graduate of Kearny High School
G.P.A. - 4.66
Major: International Business



Jennifer Hayes

recipient of the Lusitania Bank award for the highest grade point average in the graduating class of Ann Street School.

LET US HEAR FROM YOU

How can we serve you even better?

We strive to provide excellent service to you every day, in everything we do. This means constantly improving upon the way we do business, and we want your input on how we can further improve.

Please share your suggestions for ways we can serve you even better by completing the following information

Our team will review all suggestions submitted, and if we decide yours is the best, we'll pay you \$50.00 for it!

That's how serious we are about excellent customer service.

Name: _____

Phone: _____

Address: _____

Email: _____

Your Suggestion or Idea for Improvement: _____

Please mail this form to: Lusitania Savings Bank,
fsb
Attention: Augusto Gomes, CEO
107 Pulaski Street
Newark, New Jersey 07105