



Lusitania Savings Bank, fsb

Spring Newsletter

2011

31st Anniversary Picnic

Date: Sunday, June 19, 2011
Customer Appreciation Day

Time: 10 AM to 7 PM

Location: FOREST LODGE
11 Reinman Road
Warren, NJ 07059

Facilities: Swimming Pool, Dance Area, Soccer Field, Volleyball Courts, Tennis Courts, Basketball Courts, Bocci Area, Baseball Field



**No tickets, No entrance
No exceptions**



Events: Soccer Game
International Variety Show
Music: Mx3 Band
Variety of popular games for all ages
Prizes for winners

Food: Food & beverages (sodas) served continuously from 10 AM to 6 PM
Beer & Wine will be served from 1 PM to 6 PM



Customer discount prices only for those with a minimum balance of \$1,500 prior to May 16

Tickets go on sale May 16, 2011
Limited to 3,000 tickets

Message from the President

There's an old saying that says that "when you rob Peter to pay Paul, you can always count on Paul's support." It's a saying that has stood the test of time because it captures the idea behind it so perfectly: when a government takes actions that hurt one group of citizens in order to provide for the benefit of another group of citizens, it usually does so with the support of the group that is being benefited. From one perspective, it's a terrific strategy - so long as you're on the side of Paul, the side benefiting from the government intervention. When you find yourself on Peter's side, however, the intrusion is usually far less welcome. Sadly, which side of the transaction you're on is largely out of your control - you can be thrilled about your position as Paul one day only to find yourself having your pockets emptied for someone else's benefit the next day.



Ever since the current economic downturn began a few years ago, many of you have had that Paul-to-Peter transformation forced upon you by the Federal Reserve, which largely controls interest rates in the United States. Under the premise of stimulating the economy, the Federal Reserve has kept interest rates at historically low levels for an extended period of time. Now, if you're in the market to buy real estate property, that's fantastic news. The rates that banks charge on loans fluctuate according to the rates that the Federal Reserve sets - when the Fed raises interest rates to high levels, the mortgage loan you apply for at a bank will likewise carry a high rate. On the other hand, when the Fed keeps interest rates artificially low, as it is doing now, banks will offer mortgages and other loans to you at lower rates. If you've accumulated savings

(continued on next page)

You asked.... We listened!

Online Bill Pay is here

The 1st Bank to convert from a Credit Union in the United States
EQUAL OPPORTUNITY LENDER



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

Internet Banking
www.Lusitaniabank.com

Business Hours:

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

Drive Thru Schedule:

Pulaski Office

Monday 8:30 am - 6:00 pm
Tue-Thurs 8:30 am - 5:30 pm
Friday 8:30 am - 7:00 pm
Saturday 8:30 am - 2:00 pm

Message from the President continued.....

over the years and waited for the perfect opportunity to invest, you're in luck - investment opportunities are plentiful and rates are at historic lows. Right now, you are Paul in that old saying.

What rarely gets mentioned by the media is that there wouldn't be a Paul to benefit if there wasn't also a Peter to be robbed. In this case, those hurt by the Federal Reserve's actions are those that are counting on interest income from their deposits. When the Federal Reserve takes steps to keep interest rates at low levels, it is not only keeping loan rates low – it's keeping *all* interest rates low, including the rates that banks pay you for your deposits. So while historically low rates is great for anyone looking to take out a loan from banks, the benefit to those individuals is paid out of the pockets of anyone with savings deposited at banks.

To understand why that's the case, it's important to keep in mind that, for all industries, the basic rules of business are the same: goods are purchased at one price and then sold to customers at a higher price. The difference between those two prices is what allows the business to pay its expenses and, hopefully, make a profit from whatever is left over. Banks work in basically the same way, except instead of offering oranges or lawn mowers for sale, they deal in money. Banks pay customers one set of interest rates on their deposits and then charge higher rates for the money they provide to customers in the form of loans. Those two sets of rates move up and down together – when the rates that banks charge for loans go down, the rates that banks pay for deposits also go down. So right now, for every person excited at the prospect of being able to take out a mortgage loan at a low rate, there is another person disappointed by how much less interest he's getting on his deposits.

Worse yet, it's likely that those dealing with low interest rates on their deposits won't be the only ones negatively impacted by the Federal Reserve's current strategy. While the Federal Reserve's actions are to the benefit of loan customers right now, even those benefits may be outweighed by the longer-term impact on the economy. The Federal Reserve keeps interest rates low in part by printing more currency and introducing it into the economy. However, following that course of action has historically led to the same outcome time and time again – increased inflation. When that happens, even Paul is going to start feeling robbed like Peter.

Augusto A. Gomes
President & CEO

SAFE DEPOSIT BOXES



Available at our
Pulaski Street Main Office
Ferry Street Branch

SAFE DEPOSIT BOX SIZES:

Small 5" x 1.5" Large 5" x 4.5" (Ferry)
Small 4.5" x 2.5" Large 4.5" x 4.5" (Pulaski)

The rental of safe deposit boxes is a bank service extended to customers for their convenience in securing personal possessions. It should be understood that there is no bank provided insurance for safe deposit boxes.

Personalized Mortgage Solutions

Find the mortgage that's right for you

Whether you're a first-time homebuyer, looking to buy your next home or seeking to refinance your current mortgage, our expert loan representatives are here to answer your questions so you have a clear understanding of what you can comfortably afford.

At Lusitania, we're dedicated to helping you find the financing solution that's right for you.



- Customized rates and pricing
- Simplified no cost loan process
- Home financing advice and service
- Options to fit your unique needs



Foreclosure Financing

If you're house hunting, you may be thinking about purchasing a foreclosed home, also called a real estate owned or REO property, since the lender now owns the property. There is the potential for great deals, but also there are more things to watch for compared to a traditional home purchase. We can help you better understand the different steps in buying a foreclosed home and to increase your likelihood of success in finding the one that is right for you.

Contact our Mortgage Loan Department for more
information at 973 344-5125 Ext 29

Express Telephone Banking



Access your account from anywhere!
Dial (973) 344-5683
24 HOURS/ 7 DAYS A WEEK
Long distance charges might apply.

FDIC INSURANCE

Please be aware that the Federal Deposit Insurance Corporation (FDIC) permanently raised the current standard maximum deposit insurance amount to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Feel free to visit the FDIC web page for more information: www.fdic.gov

The Scam Update

Helping to keep you scam-free!

It's your money, so keep it that way – stay informed!

In this issue: **FORECLOSURE RESCUE SCAMS**

Foreclosure rescue scams target homeowners facing foreclosure, particularly if they are equity-rich but cash-poor. Rescue scams cost consumers thousands of dollars and, too often, their most valuable asset – their homes. With foreclosure rates on the rise, foreclosure rescue scams are also increasing. Here's some info you need to know:

COMMON FORECLOSURE RESCUE SCAMS

Fraudulent foreclosure rescue scams generally fall into one of the following three categories:

Phantom Help – the “rescuer” charges exorbitant fees for telephone calls and paperwork that the homeowner easily could have handled themselves.

Bailout – the rescuer bails out the homeowner by helping to “dispose of” of the house. The homeowner typically surrenders title to the house while believing they can stay on as renters and buy the house back once they fix their finances. The terms are typically so one-sided, however, that repurchase becomes impossible.

Bait and Switch – rescuers tells the victim that they will obtain a new loan that will solve their problems. In reality, the homeowner signs forged documents that give the scammers ownership of the home, but the homeowner still has the loan.

KNOW THE WARNING SIGNS

The U.S. Dept. of Justice outlines a few red flags that homeowners should be on the lookout for if facing foreclosure:

- Be suspicious of any person or company that calls itself a *foreclosure consultant, foreclosure service, or similar.*
- Be wary of high pressure marketing techniques.
- Be suspicious of offers to take title to your home and lease it back to you, with a promise that you can buy it back in time.
- Never sign a contract under pressure.
- Do not sign documents containing blank lines or spaces.
- Contact the Better Business Bureau at www.bbb.org before entering into any agreement promising homeowner debt relief.

ONLINE BANKING

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

Online Bill Pay

Starting early May

Some key features:

- Account Summary
- Account Statements
- Account Alerts:
 - Checking Balance Alert
 - Checking Deposit Notice
 - Check Cleared Notice
 - Savings Balanced Notice
 - Savings Deposit Notice
 - CD Balance Alert
 - Consumer Loan Balance Alert
- Funds Transfer
- Check Images
- Transactions Export:
 - Comma Separated File (CSV)
 - Single Column CSV
 - Intuit Quicken
 - Microsoft Money



THANK YOU NOTE



We would like to take the opportunity to thank all the customers who donated to our recent fundraising events. We collected \$1,500 for Cystic Fibrosis. Once again, thank you.

MANAGEMENT TEAM

Officers:

Augusto A. Gomes: President/CEO
Jorge S. Gomes: Executive VP/GC
Sandra M. Teixeira: VP of Finance
Maria C. Pequito-Duarte: VP of Lending
Florbela De Almeida: VP of Operations

Branch Managers:

Sandra Fernandes:
Branch Coordinator
Sandra Martins: Ferry
Michelle Queiruga: Harrison
Filipe Fernandes: Hillside

Surcharge-Free ATM Network

Lusitania Savings Bank has teamed up with Allpoint, an ATM network that gives you access to over 40,000 ATM's nationwide at **no charge** to you.



Now available in Mexico

You can find the nearest Allpoint ATM by simply visiting their website at www.AllpointNetwork.com or calling 1-800-809-0308.

PLEASE NOTE: Some Allpoint ATMs may still display a surcharge screen during your Allpoint transaction. If that happens, simply enter “Yes” to accept the surcharge and proceed with your withdrawal. **YOU WILL NOT BE CHARGED THE SURCHARGE.**

Lusitania VISA® Credit Cards

Apply Today - Buying power you need, from the bank you trust.



- 0% Introductory Rate
- Special \$25 Bonus
- Unlimited Cash Back
- Unrestricted Travel
- Merchandise & Gift Cards
- No Annual Fee



All of us at Lusitania would like to congratulate the following employees on their new addition to their families.



Emma Martins
daughter of Sandra and Hernani Martins



Michael Fernandes
son of Filipe and Paola Fernandes



Natalie Mendez
daughter of Neli and Rodrigo Mendez



Deni Marques
son of Rita and Levi Marques

COMING EVENTS

- May 16 - Picnic go on sale, limited to first 3,000
- May 28 to Sept 3 - Saturday Summer Hours:
Lobby: 8:30 am to 12:00 pm
Drive Thru: 8:00 am to 12:00 pm
- May 30 - Memorial Day - Closed for business
- June 19 - Customer Appreciation Day
31st Anniversary Picnic
- July 4 - Independence Day - Closed for business

Credit Repair

Good credit is important – a bad credit history can prevent you from getting a loan, housing, or a job.

Promises to “fix” your credit report may be tempting, but they're not true.

- **No one can erase negative information if it's accurate.** Only incorrect information can be removed. Accurate information stays on your record for 7 years from the time it's reported (10 years for bankruptcy). Even information about bills you fell behind on but now are paid will remain on your report for these time periods.
- **Credit repair services can't ask for payment until they've kept their promises.** Federal law also requires credit repair services to give you a explanation of your legal rights, a detailed written contract, and three days to cancel (this applies to for-profit services, not to nonprofit organizations, banks and credit unions, or the creditors themselves).
- **You can correct mistakes on your credit report yourself.** If you were recently denied credit because of information in your credit report, you have the right to request a free copy. Otherwise there is a small fee, unless your state law provides for one free report a year. It doesn't cost anything to question or dispute items in your report. Follow the instructions provided by the credit bureau. The major credit bureaus are: Equifax, 800- 685-1111, www.equifax.com; Experian, 800-682-7654, www.experian.com; and TransUnion, 800-916-8800, www.transunion.com. Contact all three, as the information each has may vary.
- **You can add an explanation to your report.** If there is a good reason why you weren't able to pay bills on time (job loss, sudden illness, etc.) or you refused to pay for something because of a legitimate dispute, give the credit bureau a short statement to include in your file.
- **Know that you can't create a second credit file.** Fraudulent companies sometimes offer to provide consumers with different tax identification or social security numbers in order to create a new credit file. This practice, called “file segregation,” is illegal, and it doesn't work.
- **If you have credit problems, get counseling.** Your local Consumer Credit Counseling Service (CCCS) can provide advice about how to build a good credit record. The CCCS may also be able to make payment plans with your creditors if you've fallen behind. These services are offered for free or at a very low cost. To find the nearest CCCS office, call toll-free, 800-388-2227, or go to www.nfcc.org.



Telemarketing Fraud Tips from the National Consumer League's National Fraud Information Center

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 on ways we can serve you even better.

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

Please mail this form to: **Lusitania Savings Bank, fsb**
Attn: Augusto Gomes, CEO
107 Pulaski Street, Newark, NJ 07105
aagomes@lusitaniabank.com

Name: _____
Address: _____
Email: _____

Your Suggestion: _____

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

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.