



Lusitania Savings Bank Spring Newsletter 2012

Customer Appreciation Day Picnic

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:

Mon-Wed 9:00 am-5:00 pm
Thursday 9:00 am-6:00 pm
Friday 9:00 am-7:00 pm
Saturday 9:00 am-2:00 pm

Drive Thru Schedule:

Pulaski Office

Mon-Wed 8:30 am - 5:30 pm
Thursday 8:30 am - 6:00 pm
Friday 8:30 am - 7:00 pm
Saturday 8:30 am - 2:00 pm

Hillside Office

Mon-Wed 9:00 am - 5:00 pm
Thursday 9:00 am - 6:00 pm
Friday 9:00 am - 7:00 pm
Saturday 8:30 am - 2:00 pm

Date: Sunday, June 17, 2012
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



The soccer game between Portugal
and Holland will be broadcast

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 on May 14

Tickets go on sale May 14, 2012

Limited to 3,000 tickets

Message from the President



Ever since the financial crisis began back in 2008, the Federal Reserve has taken a consistent approach in its efforts to improve the nation's economy. Unfortunately for those of us struggling under the burden of economic pressures, consistency in this case isn't really a good thing.

The Federal Reserve (or "Fed") has addressed the financial crisis in a manner that can only be described as short-sighted, with the prospect of only limited short-term gains but considerable long-term harms looming in the future. The Fed's strategy has been to drive interest rates down to historically low levels, a strategy it has executed in part by buying bonds and printing money. As a result, interest rates on loans have stayed low over the past three years, but then so have interest rates on deposits, the latter approaching zero percent. Essentially, the Fed's gamble has been that keeping interest rates low across the board will help new borrowers more than it will hurt current savers. Has the Fed's gamble paid off? Even

the most optimistic of individuals would be hard-pressed to argue that it has. The Fed's gamble depends entirely on there being significant cost savings to new borrowers from low interest rates on loans. The problem with that reasoning is that it assumes that consumers will be driven to borrow more money when interest rates are so low. Yet, a quick look at the real estate market shows that the droves of new borrowers in the market that the Fed was counting on simply never materialized, despite the ready availability of money to lend. What the Fed failed to realize is that consumers don't borrow money just because rates are low. They borrow money when they think that there's a profit to be made in the process. With the real estate market in the shape that it's in, consumers are hesitant to borrow because they aren't confident they can make a profit, regardless of how cheap money is to borrow. As a result, the short-term positive impact of the Fed's gamble has been minimal. On the flip side of that coin, consumers who have saved their funds carefully over the years

continued on the next page...

Online Bill Pay is here

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



Message from the President continued...

and count on deposit interest to supplement their income have been the collateral damage in the Fed's strategy. These individuals did not contribute to the economic crisis: they believe in saving money before you borrow money. Yet now they find themselves as innocent casualties, left with few alternatives to supplement their income other than risky investment strategies. Unfortunately, the worst is likely still to come. The Fed can print as much money as it desires and will continue to do so in the near future. But there are no free lunches here – someone is always left paying the bill. In this case, it will be in the form of inflation. It's been proven time and time again that when the government creates money out of thin air, inflation is always the result. Costs to consumers will go up as a result and the value of everyone's money will go down. Those are the likely long-term costs of the Fed's strategy, a gamble designed to help the borrowers. In the meantime, who speaks for the savers?

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)

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

ONLINE BANKING

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

Online Bill Pay Get Started Now!

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



5 Tips for Shopping for a Mortgage

1. Know what you can afford
2. Shop around-compare loans from different lenders
3. Understand loan prices and fees
4. Know the risks and benefits of loan options
5. Never sign under pressure, get advice from trusted sources.

Shopping around for a home loan or mortgage will help you to get the best financing deal. Whether it's a home purchase, a refinancing, or a home equity loan, a mortgage is product, just like a car, so the price and terms may be negotiable. You'll want to compare all the costs involved in obtaining a mortgage. Shopping and comparing may save you thousands of dollars.

Compare Loans Before Deciding

A mortgage loan is one of the most complex, most expensive financial commitments you will ever assume. It's okay to ask for help. Talk with a trusted mortgage loan counselor at Lusitania. Lenders are required by federal law to provide a "good faith estimate" within three days of receiving your loan application. The estimate should give you a detailed approximation of all costs involved in closing. Review these documents carefully and compare these costs with those for other loans. You can also ask for a copy of the HUD-1 settlement cost form detailing all closing costs one day before you are due to sign the final document.

Stop at one of our offices today
for a personalized loan consultation and to pick up a detailed
Mortgage Comparison Shopping Worksheet

The Scam Update

Helping to
keep you
scam-free

Scammers are always looking for new ways to separate you from your money. There's only one way to fight back - stay informed!

I.R.S. Email Scam – be on the lookout for "phishing" emails (or calls) that appear to come from the I.R.S. These bogus emails may indicate, for example, that you are entitled to a refund or that your return will be audited. Remember to keep in mind that the I.R.S. does not send unsolicited, tax-account related e-mails to taxpayers.

What To Do If You Think You've Been Victimized

- Contact the FTC at www.ftc.gov or by calling 1-877-FTC-HELP.
- File a complaint with the New Jersey Department of Consumer Affairs at <http://www.state.nj.us/lps/ca/home.htm>
- If you receive a phishing email that appears to come from the I.R.S., you can forward it directly to: phishing@irs.gov
- Let us know – we can help direct you further!

Surcharge-Free ATM Network



Lusitania Savings Bank has teamed up with Allpoint, an ATM network that gives you access to over 43,000 ATMs nationwide at no charge.

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

Lusitania Bank's Priority with Online Security

Online banking has become the new way to do banking. Due to this phenomenal growth, banks have increased their security and safety measures to protect their customers. However, cyber-criminals are always developing new ways to access customer financial data electronically. Lusitania Bank has adopted methods and controls to prevent and detect fraud, yet we cannot be effective without the help and cooperation of our customers.

UNDERSTANDING THE FACTORS

Online security usually starts with an authentication process that is used to confirm your identity. The authentication uses these basic factors:

- Something you know (e.g. password)
- Something you have (e.g. Image)
- Something you are (e.g. challenge questions)

Single factor authentication uses only one of the above, but multi-factor authentication utilizes more than one to prevent fraud. An example of multi-factor authentication would be your Debit Card. Your debit card is something you have and your PIN number is something you know. Lusitania Bank utilizes multi-factor authentication for electronic banking.

Multi-Factor Authentication (MFA) complies with the October 2005 FFIEC guidance regarding enhanced security for electronic banking. Adaptive Authentication is a machine metrics-based solution designed for customers who access their accounts from a home or office workstation. Each registered workstation is identified by a specific set of criteria and validated upon login. When customers access their accounts from an unregistered computer, authentication takes place before the customer is permitted to access Retain Internet Banking by answering one of the three challenge questions. If the challenge question is not answered correctly, the customer will be locked out by MFA and must contact the bank to be unlocked.

LAYERED SECURITY FOR HIGHER SAFETY

Layered security strengthens the safety of online services and is effective in preventing identity theft, protecting customer information, and reducing financial losses from account takeovers. This type of security allows us to verify you, detect any fraudulent activity, and respond to it if necessary. Lusitania Bank conducts additional verification procedures on the initial customer login to confirm authentication.

PROTECTION UNDER REGULATION E

Banks follow specific rules for electronic transactions issued by the Federal Reserve Board. These rules are known as Regulation E, and they cover all kinds of situations revolving around transfers made electronically for consumer type accounts. Under the consumer protections provided under Regulation E, you can recover internet banking losses according to how soon you detect and report them.

The Federal rule requires you to report any loss within two days, but you can be liable for the first \$50. After two days the amount increases to \$500. After 60 days following the loss you can be liable for the entire amount. Make sure you contact a bank representative about your particular situation.

Business Account owners should inquire with a bank representative about Regulation E details. Be sure to obtain a Regulation E disclosure form periodically.

Business Accounts pose a higher risk due to higher transaction volume and amounts. Business customers should review online and paper statements frequently. It is also suggested that business customers perform a risk assessment and internal controls evaluation periodically.

YOUR AWARENESS IS THE FIRST LINE OF DEFENSE

In using online banking or services you have to protect yourself against any fraudsters. Here are some steps to keep you and your computer safe:

- Anti-virus Protection (for example: Norton, Kaspersky, McAfee, Avast!, AVG)
- Have strong passwords (use a combination of letters and numbers, avoid birthdays, addresses, social security digits) **DO NOT SHARE PASSWORD & USER IDs.**
- Firewalls on your computer (this software puts up a barrier between your computer and those who might invade it. Firewalls keep your data safer and protect your privacy. Make sure your firewall is always turned on in your Settings)
- Allow computer updates on your operating system
- Sign off/Log out (make sure you click this before exiting online banking or any online services)

The following websites have more information about online safety and security:

www.staysafeonline.com
www.ftc.gov
www.usa.gov
www.idtheft.gov

INTERNAL ASSESSMENT

Our goal is to ensure that the level of authentication in a particular transaction is appropriate to the transaction's level risk. Whenever increased risk to your transaction security might warrant it, the bank will be able to conduct additional verification procedures such as:

- Utilizing call-back voice verification
- Evaluating banking transactions for suspicious patterns
- Analyzing daily enrollment reports for potential fraud enrollments with mailing verification.

IF YOU HAVE ANY SUSPICIONS

If any suspicious activity is noted within your financial accounts a bank representative should be contacted immediately by phone or at onlinebanking@lusitaniabank.com. A bank representative will ask you for your personal information including online security questions and answers for the sole purpose of identifying you. Never give your personal information unless you initiated the phone call.

Authorized bank personnel with email capabilities are prohibited from sending/forwarding an email with non-public customer information, or sensitive data designated as restricted or confidential to themselves or third parties. This includes attaching or appending electronic files or data containing non-public customer information, or sensitive data designated as restricted or confidential to themselves or third parties via email.

Customers are urged not to send emails with personally identifiable information. If a customer email contains personally identifiable information, it will only be used internally and for the purpose for which it was provided. Under no circumstances will a bank email response contain customer non-public information. Employees are also prohibited from requesting customer sensitive personal information via email.

Online Security

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

**We would like to welcome our
New Employees**



Joan Cancela DaSilva
Mealhada, Portugal



David Ferreira
S. Joao da Madeira, Portugal

**YOUR CREDIT
Do You Know
Who's Checking?**



Who's checking your credit score and history? Maybe a lot more people than you think.

There are 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 decide whether to provide you service or not based on your credit information? 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.

Since Federal law permits consumers to obtain a free report annually from each of the three major credit reporting agencies, experts advise that you should get a free report from a different agency every four months. Doing so will allow you to monitor your personal security all year long.

**TO ORDER YOUR FREE CREDIT REPORT,
GO TO THE ONLY AUTHORIZED SOURCE:
www.annualcreditreport.com
1-877-322-8228**

COMING EVENTS

- May 14 - Picnic tickets go on sale, limited to first 3,000
- May 26 to Sept 1 - Saturday Summer Hours:
Lobby: 8:30 am to 12:00 pm
Drive Thru: 8:00 am to 12:00 pm
- May 28 - Memorial Day - Closed for business
- June 17 - Customer Appreciation Day Picnic
- July 4 - Independence Day - Closed for business

THANK YOU NOTE



We would like to take the opportunity to thank all the customers who donated to our recent fundraising events. We collected \$1,300 to help fight 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. Pequeto-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

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 Rewards
- Merchandise & Gift Cards
- No Annual Fee

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, Pres/CEO
107 Pulaski Street, Newark, NJ 07105
aagomes@lusitaniabank.com

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

Name: _____
 Address: _____
 Email: _____
 Your Suggestion: _____

