

Lusitania

SAVINGS BANK

COMMUNITY FIRST LOANS

Essex, Union, Hudson and Bergen Counties

1 Yr. ARM 5.375 %	5.908 %
Rate	APR
	WITH ZERO POINTS
3 Yr. ARM 5.750 %	5.923 %
Rate	APR
	WITH ZERO POINTS
5 Yr. ARM 5.875 %	5.955 %
Rate	APR
	WITH ZERO POINTS

1 Yr. ARM Payment Example: 12 payments of \$559.97, then 348 payments of \$590.81 based on a fully indexed rate of 5.875%. 3 Yr. ARM Payment Example: 36 payments of \$583.57, then 324 payments of \$590.99 based on a fully indexed rate of 5.875%. 5 Yr. ARM Payment Example: 60 payments of \$591.54, then 300 payments of \$591.54 based on a fully indexed rate of 5.875%. APRs quoted are based on a \$100,000 loan for a 1-family, owner occupied dwelling with a 20% down payment, a 30 yr. amortization term, and a minimum finance charge of \$605.00. Adjustable-Rate Mortgages are variable rates and the annual percentage rate may increase or decrease after the initial fixed period. The renewal rate is based on an index plus a margin of 2.00%, 2.00% annual adjustment caps, a floor rate equal to the initial rate, and a 6.00% lifetime cap. Current Index is the 5 Yr. Treasury Security. Actual monthly payment may be higher, payment examples do not include applicable property taxes, fees, insurance premiums or other related costs. Rates and annual percentages are effective as of the publication date of this ad and are subject to change. Please speak with our Mortgage Department for additional terms and conditions that may apply. Subject to credit approval. Other rates and programs are available.



NMLS # 640892
EQUAL OPPORTUNITY LENDER



Lusitania VISA® Credit Cards

Buying power you need, from the bank you trust.



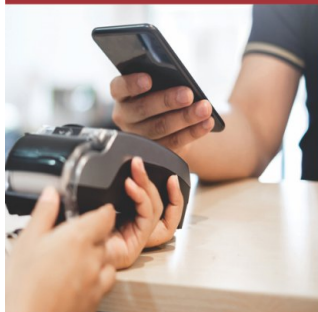
Scan to Apply



Apply online at www.lusitaniabank.com or speak with a representative at one of our branches.

The creditor and issuer of these Cards is Elan Financial Services, pursuant to a license from Visa U.S.A. Inc.

Touch-Free Transactions



NOW AVAILABLE

Add your Lusitania Debit card to your Digital Wallet and enjoy the freedom of contactless payment.

NEWSLETTER

Happy Holidays Fall 2024

A Message from the President



One of the more common questions I've been getting from customers lately is the following: "With the Federal Reserve lowering interest rates a few times recently, why haven't mortgage loan rates also gone down dramatically?" It's a fair question to ask. After all, as consumers, the narrative that we've been told repeatedly is that as the Federal Reserve

(or "Fed") lowers its key overnight borrowing rate, both deposit and loan interest rates are likely to follow suit and drop. In September, the Fed made a significant half percentage point reduction to the overnight borrowing rate. In November, the Fed made another quarter percentage point, or 25 basis points, reduction to the overnight borrowing rate. So why is it that the loan market did not also reflect a significant drop in average mortgage loan rates?

First, it's important to understand what we mean by the overnight borrowing (or "fed funds") rate. The rate sets what banks charge each other for overnight lending and is one of the primary policy tools the Fed has at its disposal to influence the direction of the U.S. economy. The Fed hiked interest rates by a quarter point in March 2022 for the first time since 2018, after having left interest rates at near-zero percent for two years to give the economy time to recover from the coronavirus pandemic. Additional increases took the Fed funds rate from 0.25% - 0.50% in March 2022 to 5.25% - 5.50% in July 2023 and it had stayed at that level since, right up until the September and November 2024 rate drops.

Continued on next page

D.R.E.A.M. LOAN PROGRAM

Delivering Residential Empowerment through Affordable Mortgages

- **First-time homebuyers of 1-2 family owner-occupied properties**
 - Property location limited to certain geographic areas
- **Downpayment as low as 5% with very competitive rates**
- **Home grant program for closing costs**
 - Closing cost credit of 1% of the loan amount to be used towards non-recurring closing fees such as title insurance, attorney or recording, up to a maximum of \$3,000.00.
- **No private mortgage insurance required**
- **No application fees**
- **No commitment fees**



TODAY'S LOAN RATES

NMLS # 640892

Continued from page 1

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The key to understanding why mortgage rates have not dropped in tandem with the Fed funds rate (as the commonly accepted narrative tells us should happen) is that consumer loan rates are not tied to the Fed funds rate – at least not directly. Instead, rates for loan products like a 30 year fixed rate mortgage track the 10-year U.S. Treasury yield rate. The 10-Year U.S. Treasury rate and the Fed funds rate typically rise and fall together, but the two rates are not directly tied to each other. The 10-year U.S. Treasury yield rate certainly was expected to fall in anticipation of the recent Fed funds rate cuts, which were prompted by the Fed's desire to soften the landing of an economy thought to be on the downswing. However, recent economic data looked far stronger than anticipated, which shifted the market's expectations and sent U.S. Treasury yields higher. For example, the government's latest employment data showed that monthly job growth in September was much better than expected. More recently, a separate report on retail spending showed that consumer demand, a key driver of the US economy, remains solid. As a result, the 10-year

MANAGEMENT TEAM

Officers:

Jorge S. Gomes, Esq.: President / CEO
Sandra M. Teixeira: CFO
Maria C. Pequeto-Duarte: CLO
Florbela De Almeida: COO
Brian Alves: BSA Officer

Branch Managers:

Diogenes Lourenco: Branch Coordinator / Security Officer
Alda Candido: Ferry
Steve Da Silva: Harrison
Sandra Martins: Hillside

SCAM AWARENESS



In an article originally published on NJ.com on June 24, 2024, Jessica Madalena shares her story on how she was a victim of a wire transfer scam that resulted in a loss of over \$32,000. During the process of purchasing a house, Jessica received an email from her attorney, explaining that the due date for payment had been changed. It also included wire instructions to make the downpayment. Unfortunately, she didn't notice the subtle difference in the email account — one letter was off. The funds were wired as requested, to the scammer's account.

Sadly, Madalena's experience is far from unique. Scammers, to deceive their targets, often use fake emails, publicly available information such as details from real estate listings, or they may even hack into the email accounts of professionals involved in the real estate transaction.

Remember, upon receiving instructions for payment via email, even if it looks like it is coming from someone you know, it could be a scammer trying to deceive you. Call the lawyer or institution directly and confirm the information. Also, when confirming the instructions for verification, do not use the phone number provided in the email. In Madalena's case, she is still waiting for a resolution to her scam nearly a year and a half later.

New Employees



Jazmin Barrera
Customer Service



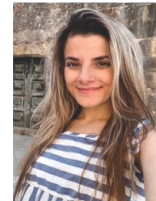
Leandra Mendez
Customer Service



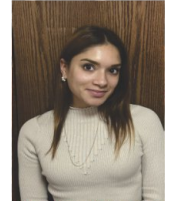
Marcela Silva
Customer Service



Jorge Guerrero
Loan Clerk



Claudia Tavares
Customer Service



Sodelys Rios
Customer Service

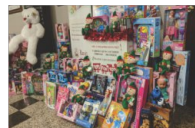
Supporting our Community



Thank you to all the customers and employees that donated and participated in the October "Making Strides Against Breast Cancer" walk in Newark, raising \$3,260.00.



In November and December 2024, we will be raising funds for pancreatic cancer research. Special promotional items will be available on a limited basis for a small donation, with all proceeds going to charity.



In December 2024 we will be hosting our annual "Toys for Tots" drive. Please consider dropping off a new toy at one of our branches to make the holidays special for a less fortunate child this year.