

★ LIBERTY SAVINGS FEDERAL CREDIT UNION ★

"MORTGAGE MADNESS DAY: A BIG HIT WITH MEMBERS"

Liberty Savings kicked off the spring with a "Mortgage Madness Day" in our lobby on May 1st. With the help of our partner Sterling Financial, we were on hand to help members understand how they could realize the American Dream of owning a home. For those members lucky enough to be a homeowner, we helped them determine if an equity loan was a good strategy.

In addition to valuable information on home ownership, four members walked away with a "money tree" or tickets to a NY Mets game.

This event was the latest in many community outreach forums we are holding throughout Hudson County. On Saturday, May 5, we filled the conference room at the Jersey City Education Association for "Understanding Your Credit Report – The First Step to Buying Your New Home".

Many more seminars are planned for the future. Although we will be taking a brief hiatus from our community seminars for the summer, we are always available for customized seminars at SEG locations. *If you would like a customized seminar at your business, contact Sean McDonald either by phone (201) 239-7038 or e-mail smcdonald@lsfcu.org.*

Community Seminars will be back in full force in the fall, based on the great response we had to our latest events. ★



Mortgage Money Winners Rose Dalmida (top) and Helen Daniel pose with their new found money trees won at LSFUC's Mortgage Madness Day.

LSFCU OFFERS EXCELLENT CHECKING SERVICES

While LSFUC has long been known for our excellent savings products, you may not know that LSFUC also offers very attractive checking account services! Appropriately called "Freedom Checking" it only requires a \$500 minimum daily balance and is fee free. Plus, all of our checking account customers can have a fee free ATM card accepted at more than 70,000 participating terminals throughout the country. Debit cards with no monthly fee are also available to all checking account holders. Naturally we offer Courtesy Pay overdraft protection and most importantly no hidden fees! You are also able to do all of your banking online through our LibertyLink service. It's all part of your membership in LSFUC. Ask your member services representative for more details. ★

LSFCU EXPLAINS HEALTH SAVINGS ACCOUNTS

Health Savings Accounts offer a promising alternative to the high costs of providing employee healthcare. It is a savings product that offers a different way for your employees to pay for their health care. HSAs enable consumers to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax-free basis.

Employees own and control the money in their HSA. Decisions on how to spend the money are made by the insured without relying on a third party or a health insurer. The insured can also decide what types of investments can be made with the money in the account in order to make it grow.

HSAs have proven to provide five key benefits for the employer.

1. *Lowers Health Insurance Premiums*
2. *Employees manage healthcare costs efficiently thereby reducing employer contributions*
3. *Employees are healthier*
4. *Tax Savings*
5. *Attracts and retains employees*

HSAs do require a high deductible health plan (HDHP). An HDHP is an inexpensive health insurance plan that generally doesn't pay for the first several thousand dollars of health care expenses, but will cover the insured after that.

LSFCU is proud to provide these groundbreaking savings accounts in cooperation with its partner KeyCUP insurance. For more information, ask your LSFUC member services representative. ★

LIBERTY SAVINGS RECEIVES HUDSON COUNTY AREA DEVELOPMENT COUNCIL AWARD



Standing l to r: LSFUC Branch Manager Maria Cruz, HCCC President Joanne VanDorn, LSFUC CEO Jim Miller, and Hudson County Executive Tom DeGise.

The Hudson County Chamber of Commerce presented its 2007 Gateway County Award to Liberty Savings Federal Credit Union for helping to develop the Hudson County business community. LSFUC President and CEO, Jim Miller, said, "We are very honored to be selected for this award. Liberty Savings has its roots in Hudson County and we are proud to have had the opportunity to serve the Hudson County community for the past 56 years." ★



LSFCU OFFERS LOANS FOR PLAYTHINGS TOO

Many of our members have taken advantage of our low (as low as 5.25%) interest rate automobile loans. But did you know that LSFUC also has loan programs for boats, motorcycles and motor homes? Many consumers make the mistake of arranging financing through the retail outlet without realizing that many of these retailers actually make more money on the high interest rates than on the vehicles or vessels themselves. If any of your employees are thinking of financing a boat, motorcycle, car, SUV or other plaything, remind them to call their member service representative at LSFUC before signing on the dotted line. ★

PAYDAY LOANS: HARD TRUTH ABOUT "EASY" MONEY

Many employees, running a little short on cash before payday, just can't resist the neon signs at check-cashing outlets touting "Payday Loans". If your employees are using these services, they could be getting themselves in a hole that will be difficult to climb out of. With some fine print and a little trickery, *these outlets are charging average interest rates of as much as 470% APR (annual percentage rate).*



Also known as cash-advance loans, postdated check loans, or delayed deposit check loans, Payday Loans are actually outlawed in the state of New Jersey, but are the star product of many Internet sites.

Typically, a customer writes a postdated personal check to a check casher for the amount he or she wishes to borrow—plus the fee. The check casher holds the check until the customer's next payday, say two weeks down the road, at which time the customer can redeem the check with cash or a money order; allow the check to be deposited; or renew or roll over the loan by paying an additional fee.

Companies frequently assess fees of \$10 to \$35 per \$100 borrowed. So, if the fee is \$20 per \$100, a customer needing \$100 would write a postdated check for \$120, dated 14 days down the road.

Stated as an APR, the fees are shocking. According to a Consumer Federation of America (CFA) and Public Interest Research Group (PIRG) report on the Payday Loan industry, the APR on \$100 borrowed for 14 days ranged from 182% to 970%. The fees climb even higher if a consumer rolls over the payday loan. Before long, escalating charges dwarf the original balance.

"You'd end up paying 16 times more for the payday loan than the credit union loan," says Maria Cruz, Member Services Team Manager. "Your credit union is a much better alternative," she adds.

Say a member pays \$120 to borrow \$100 for one month from a Payday Loan company. If he were to take out a \$100 Unsecured Personal Loan at 18% APR from LSFCU he would pay only \$1.50 in interest if he pays back the loan within a month.

Regular use of short-term loans is usually an indication of larger cash management issues. LSFCU offers free credit counseling for its members. Please pass this valuable information along and post the enclosed poster in a conspicuous place. ★

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LSFCU'S NEW BRANCH

Our long-awaited second branch at the corner of Kennedy and Seaview Avenue is coming along nicely. We expect to open the doors to our members sometime in September. ★

666 Newark Avenue,
Jersey City, NJ 07306

Your savings account is insured to \$100,000

NCUA

National Credit Union Administration, a U.S. Government Agency



LIBERTY SAVINGS
★ Federal Credit Union ★

Phone: 201-659-3900

Fax: 201-659-7627

www.lsfcu.org



EQUAL OPPORTUNITY
LENDER

TAX PROGRAMS CAN LOWER YOUR COSTS OF PROVIDING EMPLOYEE BENEFITS

Tax season has come and gone and small business owners are wondering, "How can I lower my taxable income for next year? What other deductions can I take?"

Were you able to deduct 100% of your medical, dental and vision expenses or keep that money out of your taxable income in the first place? Under current federal tax law, you can only deduct your out-of-pocket medical, dental and vision expenses up to the amount that they exceed 7.5% of your adjusted gross income (AGI). For most taxpayers, that is a difficult number to reach and even if you do cross the threshold, you can only deduct the amount that is above 7.5%. How about being able to deduct 100% from the first dollar you spend out of your pocket? How about never being taxed on money that's used for these expenses?

As a small business owner, did you know that you could save thousands of dollars on your business and personal income taxes while adding an employee benefit program?

It is a common fact that small business owners do not realize some of the same tax advantages as corporate employers. They miss out on considerable savings with respect to the treatment of health costs.

Are you familiar with the benefits afforded you through:

- *IRS Section 105?*
- *IRS Section 125?*
- *Combining a High Deductible Health Plan (HDHP) with a Health Reimbursement Arrangement (HRA)?*
- *Health Savings Accounts (HSA)?*

To learn more about if you qualify and how you can participate in these tax and premium savings programs *contact our employer insurance partner, Key Credit Union Programs at 908-931-6700 or by email at info@keycup.org.*

Be sure to mention that you represent a Select Employee Group of Liberty Savings Federal Credit Union when you call! ★

LSFCU IS NOT FOR ADULTS ONLY

Did you know our Young Savers Programs are a great way to teach your kids responsible savings habits. Ask about our Beary Club today! ★

HAPPY BIRTHDAY MRS. MILLER!

May 10 was very special day here at LSFCU. Our co-founder and longest running member, Catherine Miller paid her annual visit to our Jersey City headquarters to celebrate her birthday—her 95th!!

Kay spent some time in the lobby greeting members with her wonderful smile and kind words. Here she shows that smile off with LSFCU Vice-President and CFO, Maria Solorzano. ★



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