

# AMBASSADOR HORIZONS

Issue No. 12 May 2007



★ LIBERTY SAVINGS FEDERAL CREDIT UNION ★

## LIBERTY SAVINGS TO HOST "MORTGAGE MADNESS DAY"

Liberty Savings, in conjunction with Sterling Financial Services, will host a "Mortgage Madness Day" on Tuesday May 1 from 10 AM – 5 PM. The event will be held in the LSFCU lobby at our 666 Newark Avenue location.

As you may have heard, there is a lot going on in the mortgage market these days. LSFCU and Sterling want to take the opportunity to educate our members, and their friends and families about the different mortgage options available and how to protect a homeowner's most valuable resource. In addition to having this information available and to having the ability to speak with mortgage professionals, attendees of the "Mortgage Madness Day" will be treated to various giveaways and prizes.



LSFCU Vice-President and CFO, Maria Solorzano said, "Liberty is proud to offer educational programs to our community. We're excited to be working with Sterling Financial Services on 'Mortgage Madness Day.' Together we'll provide the necessary information and resources so people can make smart and informed decisions about their home-financing options."

*"Mortgage Madness Day" is free and open to the public.* We hope to see you and your employees on May 1 to "join in the madness."

(Make sure to read our related article on understanding your credit report). ★

### Progress Report: LSFCU's New Branch

It's coming...but as with most new construction, it's taking longer than expected. We are expecting a grand opening in the June timeframe. The new branch will be located at the corner of Kennedy and Seaview Avenues right here in Jersey City.

We hope this new branch will be more convenient for some of the outlying members of our credit union who don't get downtown as often. We know it will be convenient for many of our teacher members, as the branch is located in the same building as the Jersey City Education Association (JCEA).

We thank you for your patience. We promise you the branch will be well worth the wait! ★



## SEMINAR ON "UNDERSTANDING YOUR CREDIT REPORT – THE FIRST STEP TO BUYING YOUR NEW HOME"

As an important "follow-up" to "Mortgage Madness Day," Liberty Savings is proud to present the next seminar in its successful Community Seminar series, "Understanding Your Credit Report." The Free Seminar will be presented on Saturday May 5 from 10 AM – 12 Noon. It will be held at the JCEA Headquarters, 1600 Kennedy Blvd., in Jersey City. (This is right next door to where our new branch will be opening this summer – come and get a sneak peak!)

The importance of having good credit cannot be overstated! That being the case, there are many people who don't understand the basics of how to establish and maintain good credit. Good credit is needed to do so many things: buying a home, buying a car, getting affordable car insurance, utility hook-ups, cell phone contracts.....the list goes on! For this reason LSFCU offers FREE credit counseling services to its members.

The seminar is also FREE and open to the public! The seminar will be presented by LSFCU Partnership Development Officer, Sean McDonald.

*Reservations are a must and we expect a capacity crowd. Don't miss this opportunity! Sign up today! Contact Sean McDonald either by phone (201) 239-7038 or e-mail [smcdonald@lsfcu.org](mailto:smcdonald@lsfcu.org) ★*

### Test your Credit Report knowledge

- 1. Do you have to pay to receive a copy of your credit report?**  
NO. Everyone is entitled to obtain a free copy of their credit report once each year.
- 2. Does my credit rating vary from day to day?**  
Your credit rating varies from bureau to bureau! You can actually have three different credit scores simultaneously!
- 3. Isn't there really only two credit ratings—good or bad?**  
Absolutely not! Every score is relative to the loan you are seeking and the lending institution. Just because you can get a loan doesn't mean you can afford the interest rates some institutions charge individuals with low credit scores.
- 4. What is the biggest mistake people make that leads to bad credit scores?**  
(C'mon we can't give you all the answers here. Sign up for the seminar on May 5.)



## LSFCU TO OFFER HEALTH SAVINGS ACCOUNTS TO MEMBER ORGANIZATIONS

### *What is an HSA and Why it Might be Right for Your Company?*

With health insurance premiums rising and rising, businesses of all sizes are finding it difficult to offer quality healthcare to their employees at prices that are affordable to the business and the employee.

Health Savings Accounts (HSAs) offer a promising alternative that gives the consumer (or insured) much more control over their healthcare costs. It's been found that with added control comes better healthcare decisions which ultimately reduce employer healthcare costs.

*Here are five ways HSAs can help:*

- 1. Lower Health Insurance Premiums** – To qualify for an HSA you must be covered by a high deductible health plan (HDHP). Premiums for HDHP's are significantly less than most traditional plans and the resulting cost savings go to the employer.
- 2. Employees manage healthcare costs efficiently** – When an employee funds an HSA it creates an incentive for him/her to shop for healthcare in a conscientious manner. This ultimately may save an employer money and lower future insurance increases.
- 3. Healthier Employees** – HSA's create a financial incentive for preventive care. Instead of waiting to get sick and then paying a greater share of the cost, employees tend to get preventive care. This saves money and there is less lost time from work.
- 4. Tax Savings** – Employees get to take advantage of a valuable tax-sheltered contribution from their employer. Employers get to deduct the contributions on their federal income tax return in the year they make the contribution, regardless of whether the contribution is used.
- 5. Attract and Retain Employees** – A solid health plan is equal to a fair salary in the eyes of many employees. A competitive health plan and the funding of an HSA can be an important factor in hiring talented new employees and retaining key employees.

*We will be offering a seminar on employee insurance in the near future. Stay tuned to this newsletter and our web site for further information or contact Sean McDonald at LSFCU for more information. ★*

## APPLICATIONS NOW ONLINE

It's now easier than ever to have your employees join the credit union, apply for a loan or apply for an ATM/Check Card. All three applications can be accessed from the Liberty website [www.lsfcu.org](http://www.lsfcu.org). Applicants only need to print them out, fill in the blanks and get the completed copies to our branch for consideration.

It's also a fast way for you to get applications into your employees hands in case you run short. Of course, as an Ambassador we're happy to give you all the printed copies you need. Simply call our main office at (201) 659-3900. ★



## HEALTH SAVINGS ACCOUNT (HSA) EXPLAINED

A Health Savings Account is an alternative to traditional health insurance; it is a savings product that offers a different way for consumers to pay for their health care. HSAs enable you to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax-free basis.

You own and control the money in your HSA. Decisions on how to spend the money are made by you without relying on a third party or a health insurer. You will also decide what types of investments to make with the money in the account in order to make it grow.

### *What Is a "High Deductible Health Plan" (HDHP)?*

You must have an HDHP to open an HSA. 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 generally cover you after that. Your HSA is available to help you pay for the expenses your plan does not cover.

In order to qualify to open an HSA, your HDHP minimum deductible must be at least \$1,050 (self-only coverage) or \$2,100 (family coverage). The annual out-of-pocket (including deductibles and co-pays) cannot exceed \$5,250 (self-only coverage) or \$10,500 (family coverage). HDHPs can have first dollar coverage (no deductible) for preventive care and apply higher out-of-pocket limits (and copays & coinsurance) for non-network services.

Information taken from US Department of Treasury web site:  
[http://www.ustreas.gov/offices/public-affairs/hsa/faq\\_basics.shtml](http://www.ustreas.gov/offices/public-affairs/hsa/faq_basics.shtml)★

## HOW TO HANDLE THE HIGH COST OF RETIREE HEALTHCARE

If you have an aging workforce, you may want to inform your employees what it's going to cost them to stay healthy in their golden years.

Experts claim that if a couple retires today at age 65, they will need approximately \$160,000 in savings to cover their healthcare needs, including insurance premiums and any out-of-pocket medical expenses. That figure doesn't include long-term care costs such as living in a nursing home.

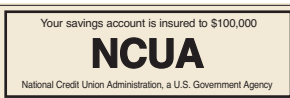
*Here are a few points to consider:*

**Reality check** - To estimate your medical costs in retirement, evaluate your health and family history. If high blood pressure or heart disease runs in your family, pay extra attention to such things as hospital deductibles and drug costs, and plan accordingly.

**Review employee benefits** - If you are still working, review your healthcare benefits to understand how they will perform after you retire. Employers may assist retirees in different ways.

**How to save?** - Consider starting a separate fund or account specifically for healthcare costs, such as a health savings account (HSA). You can make tax-deductible contributions into an HSA, much like an IRA (individual retirement account). See the related articles on HSAs in this newsletter. ★

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