

Liberty Horizons

★ A QUARTERLY PUBLICATION FOR MEMBERS OF LIBERTY SAVINGS FEDERAL CREDIT UNION ★ Fall 2008 ★

CREDIT UNIONS REMAIN STRONG IN A FLUCTUATING ECONOMY

Subprime lending woes. Rising fuel costs. A volatile market. With continued fluctuation in the financial sector, consumers are more aware than ever of the importance of good money management – and that starts with where that money is kept.

While not entirely immune to the effects of the current landscape, credit unions have remained strong as a result of responsible lending policies designed to protect assets and minimize risk. That translates into better mortgage lending and enhanced protection for members' all-important financial assets.

A commitment to responsible lending

As most of us know, a key element in the current financial crisis is fallout from widespread subprime mortgage lending. Credit unions, however, are member-owned and not-for-profit, so they've been largely able to avoid the crisis faced by for profit banks and lenders. In fact, CU mortgage lending has grown faster than any other loan type at credit unions this year, with 70% of loans staying in house, rather than being sold into the secondary market.

That sends a clear message: responsible lending is the only safe policy, and it's a policy that credit unions are proud to continue. 56% of credit unions offer first mortgages, extending to 90% of the nation's 90-million credit union members.

Solid footing in a shaky economy

As the result of prudent policies and conservative lending, credit unions went into this crisis with strong balance sheets, and they've stayed that way. Overall asset-to-capital ratios sit at an impressive 11% -- a full percent (or \$90 billion) higher than traditional banks. Moreover, mortgage delinquencies are lower than average, at just .7% for the first quarter of 2008.

Taken together, this makes a credit union the wise



Taken together, this makes a credit union the wise choice for consumers who want a safe place to house their savings – and saving is the name of the game for 2008. As one might expect in light of the current situation, savings at credit unions have increased 7% this year. Why? As non-profit institutions, credit unions can often provide more favorable savings rates, lower fees, and better rates on loans. For 2007, that translated into \$10.9 billion in savings for members, or \$126 each.

Credit unions also offer the same protections as banks. The National Credit Union Share Insurance Fund (NCUSIF) operates much like the FDIC, earmarking funds to protect member assets. Administered by the National Credit Union Administration, a federal agency, the fund protects savings up to \$100,000 and up to \$250,000 for IRAs. Several credit unions are instead protected by a private fund with even higher equity ratios.

The bottom line: credit unions work for their members. With no immediate end in sight for the current crisis, the decisions you make today will have a direct impact on your financial picture tomorrow. The sound practices and stability of credit unions make them a wise choice for those whose first goal is financial growth and protection. ★

SOURCE: "America's Credit Unions: Secure, Strong," CUNA, 2008

PRESIDENT'S LETTER

Dear Members:

First, thank you again for your loyalty to Liberty Savings Federal Credit Union.

2008 was a good year for us and I am confident that 2009 will be even better. As you know, we opened our branch office earlier this year. Come visit us at 1590 Kennedy Blvd. in Jersey City. Of course, our main office at 666 Newark Avenue remains open for business as well.



At Liberty Savings FCU, we are committed to your financial well-being. Our knowledgeable staff members are ready and willing to help you and your families find the right solutions for your needs. We all know that times are a little tough right now and that the economy is struggling a little. All of us at LSFCU would be honored if you looked to us to help you mitigate these difficult waters. Whether you need help securing a mortgage, refinancing a loan, helping you purchase your new car, or understanding your credit situation, we stand ready to help you.

Liberty Savings FCU is committed to educating our members on topics of financial literacy and wellness. Our Business Development department rolled out some new financial literacy seminars this past year including Identity Theft, Basic Budgeting, and others. These seminars are free and open to the public.

We continue to provide new and exciting services to our members – including a brand new website that I hope you have had the chance to visit. If not, check it out at www.LSFCU.org. You can even sign up to receive notices via e-mail. Be the first to know about news and events and special promotions that the credit union may be having for our members.

As you can see, we are excited about what's happening at Liberty Savings and we hope that you are too! ★

Best Regards,



James J. Miller, Sr.
President/CEO

LSFCU ANNOUNCES VISA® PROMOTION



Liberty Savings FCU is excited to announce a special promotional rate for ALL VISA cardholders starting on September 1, 2008 and running through April 30, 2009.

*A rate of **5.25%** will be applied to all **new** transactions including purchases, cash advances, and balance transfers.*

We hope that our VISA cardholders will take advantage of this special rate.

Also, with the exception of accounts that have had a credit line increase within the past 12 months, all QUALIFIED account holders may enjoy a credit line increase up to \$1,000. ★

*Promotion may be discontinued without notice before April 30, 2009. Secured accounts, accounts with credit limits of \$14,000 and higher, accounts opened within the previous 12 months, accounts in 5 day delinquency category 5 times or more in the past 24 months, accounts in 30 day delinquency category 2 times or more in the past 24 months are excluded from this promotion.

THE ENTERPRISE CAR SALE IS BACK!!

LSFCU and Enterprise Car Sales will hold a ONE-DAY Car Sale Event on Saturday October 18, 2008 from 9 AM – 3 PM at JCEA Headquarters, 1600 Kennedy Blvd., Jersey City.

Representatives from Enterprise will be on hand. A large selection of used autos will be available. Trade-Ins are welcome. Call the credit union for rate information and for a loan pre-approval!



WHAT TO KEEP AND WHAT TO THROW AWAY

Each day the typical family receives five to 10 important items related to school finances, social events or work, according to Jack Gillis, public affairs director for the Consumer Federation of America. That easily translates into 50 items per week and 2,500 items per year.

While it's important to keep these documents, it's just as important to dispose of them properly once they have outlived their usefulness. With the growing number of identity thefts, it's wise to invest in a simple paper shredder. Then its basic 1-2-3 exercise of filing, saving and when appropriate, shredding.

Here's how to get started:

Get yourself a countertop organizer and file your important papers as soon as they come in. Once your countertop organizer starts to fill, move the important items into a more permanent storage such as a filing cabinet or a safe deposit box. Move the unimportant or outdated items into the shredder.

Here is a brief outline on what to keep and for how long.

Credit Card receipts and statements - 45 days

Keep receipts until your monthly statement arrives and you've had a chance to reconcile.

Pay check stub - 1 year

Make sure the information on the paycheck matches your annual W2 and the weekly deductions are in line with what you agreed to.

Credit Union records - 1 year

At the end of each year, go through your share draft carbons or statements and only keep those related to taxes business expenses and housing or mortgage payments.

Bills - 1 year

Keep bill for major purchases to prove their value in case of loss or damage.

House Records - 6 years

Keep purchase price information and the cost of permanent improvements.



Tax Records - 7 years

The IRS has three years to audit your return and you have three years to file an amended return. If you make the mistake of underreporting your gross income by 25% or more, the IRS has six years to challenge it. Keep a copy of all 1040 tax forms permanently.

IRA Contributions - Permanently

Keep nondeductible contribution records permanently in case you need to prove you paid tax on the money when you want to withdraw it.

Special Documents

Keep copies of these financial document handy—and in a waterproof container—in case you need to leave your house quickly.

- Family records • Medical records • Wills • Deeds
- Social Security number • Credit union and credit card accounts information • Tax records • Medical insurance and Medicare cards

Finally make sure that a family member or friend—living some distance from you—has copies of these documents and include the names of contact information of your support network and medical providers. ★



LIBERTY SAVINGS ★ **Federal Credit Union** ★

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FINANCIAL LITERACY SEMINARS

Reserve your seats now for LSFCU's Fall 2008 Financial Literacy Seminars! We are set and excited to present these enlightening seminars listed below to our valued members. Financial literacy is so important – especially considering the current challenging economic times. Encourage your friends and family (or yourself) to dedicate a Saturday morning to attend a LSFCU seminar and hopefully gain more financial peace of mind. We look forward to seeing our members there!



SATURDAY OCTOBER 25, 2008 - "CATCH UP FOR LATE SAVERS"

This seminar is for people who need a little jumpstart to their savings plan. Even if you've been saving for a while, you'll benefit from this exciting and interactive seminar.

SATURDAY NOVEMBER 22, 2008 - "BASIC BUDGETING"

This seminar is helpful to people looking for ways to create a basic budget for themselves and will give good advice on **STICKING** to the budget once it is created.

All seminars will be held at JCEA Headquarters, 1600 Kennedy Blvd. in Jersey City. Parking is available on-site. Our seminars run from 10 AM -12 Noon. Reservations are required for our seminars and space is limited!!!

You may register on our website or by calling Sean Mc-



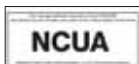
CAN'T BEAT FREE!

If you are using any ATM card other than an LSFCU card you may be paying dearly for it. ATM surcharges can be avoided. The Center for Study of Responsive Law and U.S. Public Interest Research Group suggests:

- Use your own financial institution's ATM whenever possible.
- Avoid ATMs that surcharge.
- If you use an ATM regularly, withdraw larger sums to reduce the number of times you're charged a fee.
- Consider personal checks, traveler's checks, and credit cards instead of ATMs, especially when traveling.
- Ask for cash back when you pay with debit cards at supermarkets, drug stores and gas stations. Surcharges are clearly displayed on the screens of ATM machines. You can elect either to continue the ATM transaction and pay the surcharge, or cancel the transaction.

LSFCU actually participates in two no-fee ATM networks—the All Point and Co-Op networks actually give LSFCU members more than 57,000 fee free ATMs across the country. ★

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★ Federal Credit Union ★

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