



**YOUR**  
Money



**YOUR**  
Community



**YOUR**  
Protection



**YOUR**  
Future

winter edition | 2011

# THE LATEST



## Good News for Homebuyers

*2011 Is Still a Good Time to Buy*



**L**ast year was a great time to buy a house – interest rates neared all-time lows and home prices just about everywhere had fallen from previous highs. These factors meant there were many great deals available in the real estate market. Have you been kicking yourself for missing the opportunity? Not to worry! 2011 is still a great time to buy a home.

### MARKET FAVORS BUYERS

Mortgage interest rates are predicted to remain low through 2011. And prices aren't expected to budge much at all – economists are estimating home prices will rise by only 0.08% through the end of 2011.\* Plus, there's still a large inventory of homes on the market. A 2011 homebuyer will enjoy low interest rates and prices and a big variety of homes to choose from, just like 2010 buyers.

If you're considering buying a home, contact Liberty Bank for Savings. Our friendly mortgage professionals can assist with the pre-approval process and help you determine how much you may be able to afford. Mortgages aren't a one-size-fits-all product. There are many factors that come into play when applying for a mortgage – the size of the loan, how long you plan to stay and whether you prefer a fixed or variable interest rate. We have a variety of mortgages to fit many different needs. Visit [www.libertybank.com](http://www.libertybank.com) or call **1.888.LIB.BANK** to find out how you can take advantage of this buyer's market today.

\* Source: *The Wall Street Journal*, Sept. 24, 2010.



**Market Watch: Tax Law Updates** page 8

Liberty Bank offers a variety of mortgages to fit your needs. Give us a call to learn more!





# Chairman's Message

Over the holidays I saw the classic movie "It's a Wonderful Life." What a great movie and what a period in time. The movie was set in 1946 and things were much simpler then. As recently as perhaps 10 years ago, you could still find a community bank or savings and loan in every neighborhood. Well, those days are behind us and more and more community banks have closed their doors. In the past couple of years, the banking industry has gotten a bad reputation for reckless lending and unethical practices. As a result, the financial industry is faced with much closer scrutiny and additional government regulations.

In addition to these factors, the financial business is changing. Many more customers have the opportunity to do much of their banking online – no more visiting with George Bailey at the corner Building & Loan Association.

But here at Liberty, in many ways, we continue to conduct business as we did when we first opened our doors in 1898. That's right, 113 years ago. Sure we've kept pace with the advancements of online banking and bill payments, but we still welcome our customers to call or visit our offices. We believe in giving our customers options. We want you to conduct your business in the manner that best suits you – and we won't nickel and dime you in the process. We make every effort to keep our fees as low as possible without sacrificing service.

In fact we encourage our customers to come to us for more than just savings and checking accounts. We want to keep you abreast of what's going on in the banking industry, in your community and here at Liberty. You'll find educational information in this publication as well as on our

website. We are also introducing a new Saturday Morning Seminar Series this month to help provide you with information on a variety of topics (read more about it on page 3). And we will soon unveil our online educational microsite, *The LATEST and MORE*, to provide you with a library of valuable information at your fingertips.

I'm so proud to continue the tradition of the "old time" savings and loan, provide service to our neighbors and support the organizations in our community.

I thank you for your loyalty to Liberty Bank for Savings and I wish you all a very healthy and prosperous new year.

William J. Smigiel  
Chairman & CEO

## Financial Phrases

### ROTH IRA

Tax-advantaged account created by the Tax Relief Act of 1997. Annual contributions of \$5,000 annually, with an additional \$1,000 catch-up contribution (for individuals age 50 and older), are permitted to an individual retirement account in 2010 and 2011. Withdrawals of principal and earnings from a Roth IRA are tax-free after age 59½ as long as assets remain in the account at least five years after the initial contribution.

Although Roth IRA contributions are not tax-deductible, they have potential advantages over traditional IRAs. Roth participants are not required to begin taking distributions at age 70½ or take distributions at any time during their life. They can continue making contributions from earned income after reaching age 70½. If the account holder dies before taking distributions, the proceeds go to the beneficiary tax-free.



## SHRED DAY SCHEDULE

Bring your personal documents, up to 25 pounds, to Liberty Bank and we will shred them free of charge. Tell your friends, family and neighbors about this great opportunity to help protect them against identity theft. Visit us 9 a.m.-12:30 p.m. on any of the dates below:



- April 9** 6666 N. Lincoln Ave., Lincolnwood
- May 21** 1018 W. Touhy Ave., Park Ridge
- June 4** 6210 N. Milwaukee Ave.
- June 18** 7111 W. Foster Ave.
- July 16** 2392 N. Milwaukee Ave.
- Aug. 13** 6666 N. Lincoln Ave., Lincolnwood
- Sept. 17** 1018 W. Touhy Ave., Park Ridge
- Oct. 15** 6210 N. Milwaukee Ave.
- Oct. 29** 7111 W. Foster Ave.

*NO reservations required.*

**Reservations are required for all events unless otherwise indicated. To sign up, make your reservations at [www.libertybank.com](http://www.libertybank.com) or call 773.489.4471.**



## DIGITAL CAMERA WORKSHOPS

“You Have a New Digital Camera, Now What?”

Here’s your chance to learn how to use a digital camera from professional photographer Jerry Hug. Bring your camera, a charged battery, owner’s manual and memory card. *Reservations required.*

**March 10** – 6:30-8:30 p.m.  
Lincolnwood Library  
4000 W. Pratt Ave.  
Lincolnwood, IL

**March 18** – 6-8 p.m.  
Liberty Bank for Savings  
6210 N. Milwaukee Ave.  
Chicago, IL

**March 24** – 6-8 p.m.  
Logan Square Library  
3030 W. Fullerton Ave.  
Chicago, IL

## COMPUTER CLASSES AT WRIGHT COLLEGE

Liberty is proud to partner with Wright College to provide computer skills for mature students. These two-day classes are FREE and held from 10 a.m. to noon at Wright College, 4300 N. Narragansett. *Seats are limited and reservations are required for these classes.*

**Feb. 15 & 16 – Basic Excel Class**  
*Prerequisite* – Basic Computer Skills

**March 8 & 9 – Advanced Excel Class**  
*Prerequisite* – Basic Excel Skills

**April 12 & 13 – Basic Internet**  
*Prerequisite* – Basic Computer Skills

**May 3 & 4 – Using E-mail – No Stamps Required**  
*Prerequisite* – Basic Internet Skills

## CHICAGO SKYSCRAPERS AND THE LEDGE

**April 6** – Enjoy a day exploring the continuing evolution of skyscrapers in Chicago. Travel to the skydeck of the Western Hemisphere’s tallest building, the Willis Tower, the former Sears Tower, and step out onto the ledge, a glass box extending out four feet from the building, 103 stories up! On the driving part of the tour, see and learn the fascinating history of Chicago’s original skyscrapers. Lunch is at the Mity Nice Grill in Water Tower Place. *Reservations and advance payment are required. Cost: \$79.*

## ANTIQUES & COLLECTIBLES

**May 10** – This fun and informative presentation will help you discover the “cash in your attic.” Guests are invited to bring one item for appraisal. Join us at 10 a.m. at 6210 N. Milwaukee Ave. *Reservations required.*

## 911 EMERGENCY CELL PHONE DISTRIBUTION

**May 18** – Liberty Bank and the Cook County Sheriff’s office will provide FREE emergency cell phones to Cook County residents over the age of 65 who do not have a cell phone. Join us at 6210 N. Milwaukee Ave. at 9 a.m. *Reservations are required, so don’t miss out. Make your reservation today.*

## BANK HOLIDAYS

### BANK CLOSED

**May 30** – Memorial Day

### BANK OPEN

**March 7** – Casimir Pulaski Day

**April 22** – Good Friday



## INTRODUCING THE SATURDAY MORNING SEMINAR SERIES

Join us one Saturday each month for this new financial seminar series. Speakers will provide valuable information about online banking, identity theft, insurance and much more. Seminars take place at 6210 N. Milwaukee Avenue at 9 a.m. on the dates listed below for these informative presentations. *Seats will be limited, and reservations are required.*

### Feb. 26 or March 12 – Banking from Home

Would you like to do all of your banking from the comfort of your computer? This seminar will give you the facts about:

- Online Banking
- Online Bill Paying
- eStatements
- Direct Deposit and more!

### April 16 – Internet Safety – Online Dos & Don’ts

Learn how to protect yourself from Internet predators. Guest speaker Dr. Ron Ruffo from the Chicago Police Department will provide you with information and tools to help you avoid Internet thieves and scams.

### May 14 – Do I Really Need Insurance?

Let a team of Liberty Insurance Agency professionals provide you with an answer to that question and more. Find out what type of insurance and how much you may need based on your current situation.





## New Year, New Finances



**I**f the past couple of years have taught us anything, it's that we need to be prepared for financial ups and downs. As the economy continues to recover and a new year begins, take time to put a financial plan in place so you are better prepared for the future.

**In case of emergency.** If you don't have an emergency fund, get one started. Set a goal to put away \$500. This amount will typically cover you if your car breaks down or your dental coverage doesn't pay for that broken tooth. And you can build on it later. Sock away \$20 each biweekly paycheck, and you'll hit your goal within a year. If you use direct deposit or automatic transfer into savings, you'll be less tempted to spend rather than save.

**Save now, shop later.** Patience is a virtue, especially when it comes to buying high-ticket items. Is a big-screen TV on your wish list? Dedicate yourself to cutting back on other extravagances (dining out, new clothes and deluxe cable) and put that money aside until you can pay cash. Don't get stuck paying the high interest rates department stores charge, because your purchase could end up costing hundreds more than the original ticket price.

**Make long-term plans.** Have you checked the balance in your retirement accounts lately? As the stock market shifts this way and that so does the amount of money you have allocated in different sectors.

### NEED A LITTLE GUIDANCE?

Just give us a call at **773.384.4000**. A Personal Financial Services Representative can help you put together a plan that will keep you safe in case of emergency, reduce your debt and prepare you for your long-term financial goals.



## Shelter Your Future with a Liberty Bank IRA

**A**re you concerned about volatility in the stock market? Does it break your heart to watch your principal wasting away month after month? If so, it's time to get off the roller coaster and consider sheltering your funds in a Liberty Bank individual retirement account (IRA). You know that successful retirements are no accident. They are the result of good, solid planning. So whatever your retirement hopes may be – travel, relaxation or the pursuit of a life-long dream – you should be saving now.

Plus your IRA is FDIC insured for up to \$250,000. Depending on your financial objectives, you can choose either a traditional or Roth IRA.

Remember that you can roll over distributions from your 401(k) or 403(b) account into a Liberty Bank IRA. Our friendly and knowledgeable Personal Financial Service Representatives can help you put your retirement plans on solid ground. We're here to help!



### CONTRIBUTE TO YOUR IRA NOW

It's time to make annual contributions to your individual retirement accounts (IRAs). Remember, you can make year-2010 contributions until April 18, 2011.

Year	Maximum Contribution	Catch-up Contribution (for individuals 50 years or older)
2010	\$5,000	\$1,000
2011	\$5,000	\$1,000



*Liberty Insurance Agency, Inc.*

## Your Credit Score Could Affect Insurance Premiums

**Y**our credit score is a number value that assists lenders in estimating whether you are able to make your credit payments on time. A score is based on your borrowing and payment history recorded in your credit report.

These days, many types of businesses – including insurance companies and phone companies – are using credit scores to decide whether to approve you for a loan or service and on what terms. Auto and homeowners insurance companies are among the businesses that are using credit scores to help decide if they'll offer you credit or insurance, and whether you will pay more or less for it.\*

Insurance companies look at your "insurance credit score" that is developed specifically for the insurance industry. So if you have a low credit score, you may be charged more for your insurance premiums, while someone with a high credit score could be charged less.

What can be done? If you have a low credit score, there are some things you can do to potentially lower your insurance premiums.

- Rates can vary from one insurance company to another. Liberty Insurance Agency, Inc. can shop various insurance companies to get you the best rate.
- Consider raising your deductible so that your premium cost will be lower.
- Reduce your outstanding balances on existing credit accounts.

\* Source: Federal Trade Commission.

Liberty Insurance Agency, Inc. is a subsidiary of Liberty Bank for Savings. Insurance products are not bank products, nor are they FDIC insured or insured by any federal government agency. They are not a deposit or obligation of or guaranteed by Liberty Bank and may involve investment risk, including possible loss of principal.



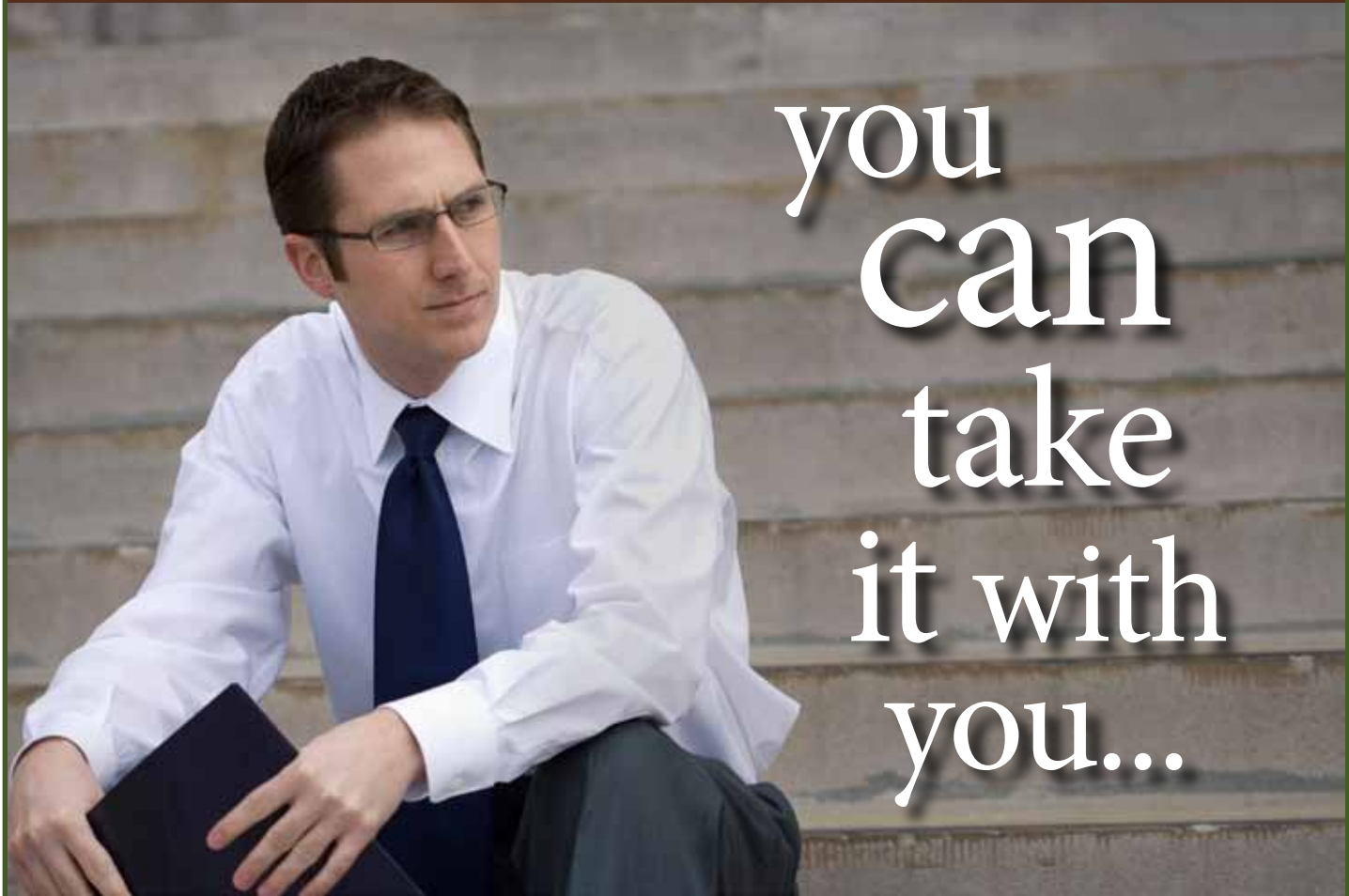
Contact a Liberty Insurance Agency representative for more information and a free quote on homeowners, auto, life and health insurance and more at **773.792.1660**.



**LIBERTY INSURANCE**

*A subsidiary of Liberty Bank*

*Provide. Protect. Promise.*



you  
can  
take  
it with  
you...

## YOUR 401(K) SAVINGS THAT IS.

If you recently changed jobs, don't leave your retirement savings behind. Take control of your 401(K).

Talk to our Financial Representative about your 401(K) rollover options.

**John Helwig,**  
Financial Service Representative

**Located At**  
Liberty Bank for Savings  
7111 W. Foster  
Chicago, IL 60656  
(773) 594-6600

INVEST Financial Corporation is not affiliated with Liberty Bank for Savings.

Registered Representative of and securities and insurance products offered through **INVEST Financial Corporation** (INVEST), member FINRA/SIPC and affiliated insurance agencies are: • **Not FDIC or NCUA insured** • **Not Bank or Credit Union Guaranteed** • **May lose value including loss of principal.**  
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**INVEST**  
FINANCIAL CORPORATION

# Is Online Banking Right for You?



**W** | **Who doesn't want to save time and money?**  
Here's how:

## Online Banking –

With Liberty Bank's convenient Online Banking service, you can be on-the-go without having to worry about making loan payments, transferring funds or checking your account balance. You can access your secure account information from any computer with Internet access.

**Online Bill Pay** – Sign up for Liberty Bank's Online Bill Pay and you no longer have to write paper checks for all your bills. And no more trips to the post office to purchase postage stamps.

**Direct Deposit** – Consider having Social Security and other checks deposited electronically into your account. You can save a trip to the bank and have quicker access to your money.

**Visa® Debit Cards** – They work the same way as a check – the funds are deducted directly from your checking account – but debit cards are simpler to use, easy to carry and allow for faster transactions.

By now you may realize how much time and money you can save using our convenient features such as Online Banking and Bill Pay, Direct Deposit and the Visa Debit Card. But did you

know that these services can also help protect you from identity theft and other financial fraud?

- By periodically viewing your account through Online Banking you can keep an eye on your balances and account activity to ensure that you catch unauthorized transactions quickly.
- By paying your bills online you avoid placing paper checks and other personal information in your mailbox where criminals can steal it. You can also have your Liberty Bank account statement delivered to you electronically, virtually eliminating sensitive paper mail.
- With Direct Deposit you won't have to worry about paper checks being lost or stolen.
- Debit cards don't contain any personal information, such as an address or phone number, like a check does. In addition a debit card offers you better dispute resolution assistance.

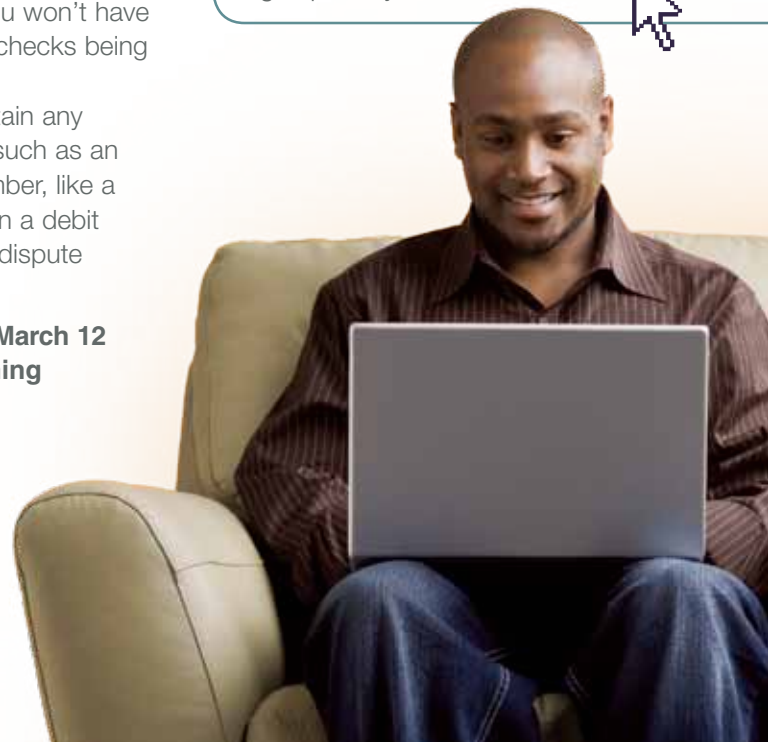
## Join us on Feb. 26 or March 12 for our Saturday Morning Seminar Series.

These two informative presentations will answer your questions about Online Banking, Online Bill Payment, eStatements and more. Seminars will



be held at Liberty Bank at 6210 N. Milwaukee Avenue at 9 a.m. Please visit us at [www.libertybank.com](http://www.libertybank.com) or call **773.489.4471** to reserve your seat.

## Here's another time saver.

*The LATEST* is available online. You can find this quarterly newsletter, *The LATEST*, right at your fingertips. No more waiting for the mail carrier to deliver your copy to your mailbox. It's easy to subscribe and you'll have less paper to recycle. Simply go to [www.libertybank.com](http://www.libertybank.com) and sign up today.



## Spotlight on ... Tax Trivia

-  The error rate for paper returns is 21%, compared with an error rate of 0.5% for e-file returns.
-  Common mistakes on tax returns include failing to enter correct Social Security numbers, claiming the wrong filing status and forgetting to date and sign the return. For a list of common errors, visit [www.irs.gov](http://www.irs.gov).\*

\* Website provided for information only. No endorsement is implied.

Sources: IRS ([www.irs.gov](http://www.irs.gov)), U.S. Department of Treasury ([www.ustreas.gov](http://www.ustreas.gov)).

Include our routing number **271071004** and your 9-digit account number on your return for direct deposit of your tax refund into your Liberty Bank account.

## LIBERTY BANK FOR SAVINGS 5 CHICAGO AREA LOCATIONS

### Chicago

2392 N. Milwaukee Ave.  
773.384.4000

7111 W. Foster Ave.  
773.792.2211

6210 N. Milwaukee Ave.  
773.763.4360

### Lincolnwood

6666 N. Lincoln Ave.  
847.674.1300

### Park Ridge

1018 W. Touhy Ave.  
847.825.0693

### Customer Service Inquiries

General:  
1.877.305.7070

### Online Banking:

1.877.305.8080



Member  
**FDIC**

# Liberty Bank

FOR SAVINGS

2392 N. Milwaukee Ave.  
Chicago, IL 60647



## Market Watch

President Obama signed a tax bill in December 2010 that affects millions of taxpayers, from low wage earners to millionaires. The \$858 billion tax bill extends the Bush-era income tax cuts for all taxpayers in 2011 and 2012, sparing families at all income levels from higher taxes. President Obama and the Democrats had hoped to extend the tax cuts for only the middle class and low wage earners, but Republicans rallied to extend the tax cuts for the wealthiest Americans as well.

In addition, the final bill also includes relief for:

- Unemployed: 13 months of extended unemployment benefits.
- Workers: Social Security payroll taxes cut from 6.2% to 4.2% in 2011.
- Parents: \$1,000-per-child tax credit extended through 2012.
- College students: Tuition tax credit and student loan interest deduction extended through 2012.
- Investors: Lower tax rates on qualified capital gains and dividends extended through 2012.
- Businesses: A number of tax breaks are extended through 2012.
- Beneficiaries of large inheritances: Estate tax law allows the first \$10 million of a couple's estate (\$5 million for a single person's estate) to pass to heirs tax-free in 2011 and 2012.

No one knows if these tax breaks will be repealed, made permanent or extended again in 2012.

This financial institution does not give tax advice. Consult your tax advisor for information specific to your situation.

Source: [www.CNNMoney.com](http://www.CNNMoney.com), Dec. 17, 2010.

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## Voice of the Customer

**A** As a result of our customer comments, this quarter's column covers two electronic service enhancements.



### eNEWSLETTER

In August, Liberty began e-mailing our newsletter, *The LATEST*, to some of our customers monthly. The overall response has been very positive. First, our customers reported the monthly e-mail is preferred to a quarterly hard copy. Second, our customers stated the newsletter provides a personalized framework. Third, our customers suggested various topics that will be considered for future issues of *The LATEST*.

### eSTATEMENTS

When Liberty first started offering eStatements, it was required that you enroll in Online Banking first. While Online Banking offers many capabilities – such as 24-7 access to view Liberty account balances and details, print cancelled checks, reorder checks online, and transfer funds between accounts, etc. – some customers wanted the option to enroll in eStatement services only. This feature is now available!

eStatements offer many benefits! To name a few:

- eStatements won't get lost in the mail.
- You receive them as soon as they are issued.
- View and print canceled checks online.

If you prefer to receive *The LATEST* or eStatements electronically, please visit us at [www.libertybank.com](http://www.libertybank.com) to enroll, or contact a branch representative.