



# THE LATEST



## Are Your Finances Fit or FLABBY?



**S** | Staying physically active and eating healthy can do a body good. But have you ever thought about the fitness of your finances?

To help determine your financial fitness, take this test. Score one point for each yes answer.

1. Do you have a budget and stick to it?
2. Do you have enough money to comfortably pay your bills each month?
3. Do you have a savings account?
4. Do you have a retirement account?
5. Do you have an emergency fund (enough money set aside to cover at least three months of expenses) – and contribute to it regularly?
6. Have you identified your short- and long-term financial goals?
7. Do you know your current net worth?
8. Can you locate your important financial documents, including bills, tax returns and statements?
9. Do you increase the amount you save when your income increases?
10. Do you avoid purchasing items you don't need with your credit card?

### SCORING:

**8-10: Financially fit!** Congratulations – you pass the financial fitness test. Keep contributing to savings and working on paying down debt.

**5-7: Soft around the edges.** You're on the right track to financial fitness – but your training plan could use a boost. Perhaps it's time to build your savings or review your financial goals.

**0-4: Time for a serious workout.** Focus on building the fundamentals of good financial fitness – a sound budget, appropriate savings accounts and/or a debt-repayment strategy.

**Market Watch: Is the Recession Over?** page 8

Call Liberty Bank at **773.384.4000** to talk with a financial representative today.





# Chairman's Message

2009 has been an interesting year. For some it has been difficult, with the loss of jobs and homes and for others concerns about health care and security of their savings. As we approach 2010 we must consider all of these matters and then some. We here at Liberty share your concerns and want to help our community through this period.

So we are doing what we can to help you and your family maintain your standard of living and save for the future.

First and foremost we are listening to our customers. We encourage you to let us know the products and services that will make life easier for you. By utilizing a series of surveys, we have received your feedback and suggestions. And of course you can always reach us by phone or e-mail.

We are eager to find ways to help you save money and time. We continue to offer the products and services that will be most beneficial to our depositors. But as a community bank we also want to make sure we provide information to help our customers make smart financial decisions and avoid becoming victims of crime and fraud.

By offering workshops, seminars and social events, we believe our customers are getting valuable information and tools for better living.

Some money-savings changes we have made include changing the company we use for customer personalized checks. You can save money now and get more checks per order for the same price or less. You can also save time by ordering your checks online. A new Debit Card

Activation Process was implemented Dec. 1, 2009. No longer will customers have to come into a Liberty office to activate their debit cards. This new process is still secure but it is easier for our Debit Card customers to activate their cards by using their primary telephone. We also joined the MoneyPass® ATM network to allow you to save both time and money by utilizing more ATMs throughout the Chicago area. Read more about the MoneyPass and Stars® ATM networks on the back page. You can even save a tree by receiving *The LATEST* online!

We continue to offer educational presentations on various topics including identity theft, elder law and estate planning as well as free computer classes for senior citizens.

I am proud of Liberty's reputation and strength and our ability to continue serving our community without the assistance of government bail-out funds. We are privileged to provide a safe, solid and secure bank for our communities and honored that so many families have chosen to trust their banking needs to Liberty Bank.

Thank you for your business this year. I, along with Liberty's Board of Directors, Officers and Employees, wish you and your families a healthy and prosperous New Year!

William J. Smigiel  
Chairman & CEO



## Financial Phrases

### SHORT SALE

In a short sale, the bank or mortgage lender agrees to lower a loan balance because of an economic or financial hardship on the part of the borrower. The homeowner/debtor sells the mortgaged property for less than the outstanding balance of the loan, and turns over the proceeds of the sale to the lender. Neither side is "doing the other a favor;" a short sale can be the most economical solution to a problem. Banks usually incur a smaller financial loss than foreclosure or continued non-payment would entail. Borrowers are able to lessen damage to their credit history, and partially control the debt.



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



## DID YOU GET A NEW DIGITAL CAMERA DURING THE HOLIDAYS?

Liberty is offering a FREE workshop – “You Have a New Digital Camera, Now What?” – for those who want to learn how to operate a digital camera. Participants are asked to bring their camera, owner’s manual, cables and batteries to this hands-on workshop. Make your reservations to attend one of these fun and informative workshops.

- Jan. 14** – Lincolnwood Library at 4000 W. Pratt Avenue Lincolnwood, 7-8:30 p.m.
- Jan. 21** – Logan Square Public Library at 3030 W. Fullerton Avenue, 6-8 p.m.
- Jan. 28** – Liberty Bank at 6210 N. Milwaukee Avenue 7-9 p.m.

## LIBERTY IS PLEASED TO OFFER FREE DOCUMENT SHREDDING

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 protect them against identity theft. Visit us 9 a.m.-12:30 p.m. on any of the dates below:

- April 17** – 6666 N. Lincoln Avenue, Lincolnwood
- May 15** – 2392 N. Milwaukee Avenue
- June 12** – 1018 W. Touhy, Park Ridge
- July 17** – 7111 W. Foster Avenue
- Aug. 14** – 6210 N. Milwaukee Avenue
- Sept. 18** – 1018 W. Touhy, Park Ridge
- Oct. 23** – 7111 W. Foster Avenue



## COMPUTER CLASSES AT WRIGHT COLLEGE

Liberty Bank is proud to once again partner with Wright College to provide computer skills for mature students. The classes listed below will help seniors with few or no computer skills get started. For those seniors with some basic skills the more advanced classes will help improve their abilities. These classes are **FREE**. All classes last two days and are held from 10 a.m.-noon at Wright College, 4300 N. Narragansett. *Seats are limited and reservations are required.*

- Jan. 12 & 13** – Basic Keyboarding – *No prerequisite*
- Feb. 2 & 3** – Basic Computer Skills – *No prerequisite*
- March 2 & 3** – Basic Microsoft Word – *Prerequisite: Basic Computer Skills*
- April 6 & 7** – Advanced Microsoft Word – *Prerequisite: Basic Microsoft Word*

## AARP DRIVING SKILLS COURSE

**April 6 & 8** – Take advantage of this two-day classroom course to refresh your driving skills. The course is designed for those ages 50 and older. Presented by AARP, \$12 per person for AARP members and \$14 for non-members. This class is held at 6210 N. Milwaukee Ave., 9 a.m.-1 p.m. both days. *Reservations required.*

## THE MERC, MONEY & MANNY’S

**April 13** – Explore a fascinating day in Chicago’s Financial District. See how Chicago business affects the world economy up close and personal. We will visit the Chicago Mercantile Exchange Visitors Center and the Federal Reserve Bank in its landmark building at LaSalle and Jackson. At lunch, rub shoulders with Chicago businessmen at Manny’s Deli and Coffee Shop, a Chicago institution since 1942. *Cost: \$57 advance reservations and payment required.*

Buses pick up and return to the following Liberty Bank offices according to the following schedule:

### Liberty Bank Location

Departure	Return
7111 W. Foster Avenue <b>8:45 a.m.</b>	<b>2:45 p.m.</b>
2392 N. Milwaukee Avenue <b>9:15 a.m.</b>	<b>2:15 p.m.</b>



**Celebrate the New Year!**  
Open a Liberty Gift Account for a loved one today.

## BANK HOLIDAYS

All Liberty Bank offices will be **CLOSED** at 1 p.m. on the following holiday:

**Dec. 31** – New Year’s Eve

All Liberty Bank offices will be **CLOSED** on the following holiday:

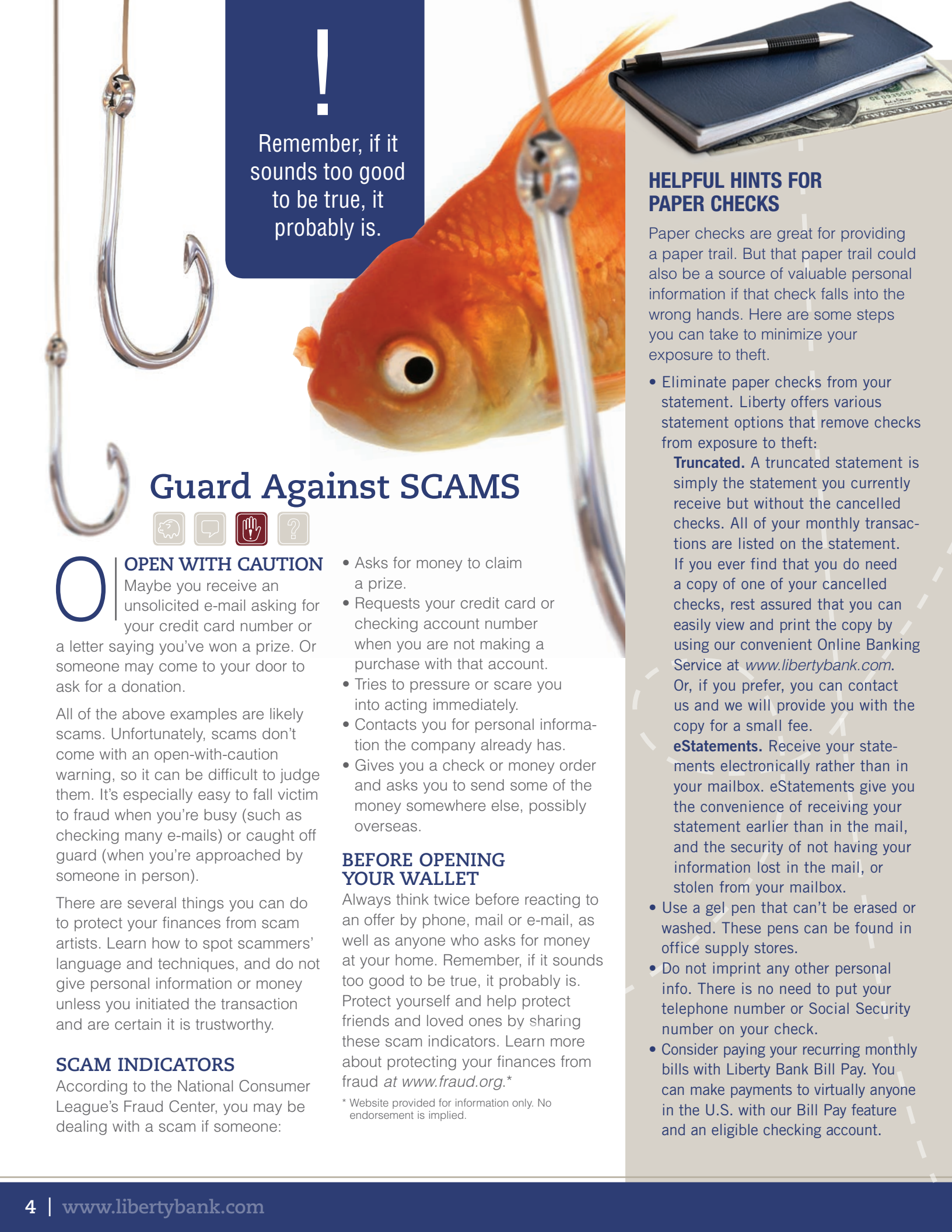
**Jan. 1** – New Year’s Day

All Liberty Bank offices will be **OPEN** on the following holidays:

**Jan. 18** – Martin Luther King Jr. Day

**Feb. 15** – Presidents Day

**April 2** – Good Friday



Remember, if it sounds too good to be true, it probably is.

## Guard Against SCAMS



### OPEN WITH CAUTION

Maybe you receive an unsolicited e-mail asking for your credit card number or a letter saying you've won a prize. Or someone may come to your door to ask for a donation.

All of the above examples are likely scams. Unfortunately, scams don't come with an open-with-caution warning, so it can be difficult to judge them. It's especially easy to fall victim to fraud when you're busy (such as checking many e-mails) or caught off guard (when you're approached by someone in person).

There are several things you can do to protect your finances from scam artists. Learn how to spot scammers' language and techniques, and do not give personal information or money unless you initiated the transaction and are certain it is trustworthy.

### SCAM INDICATORS

According to the National Consumer League's Fraud Center, you may be dealing with a scam if someone:

- Asks for money to claim a prize.
- Requests your credit card or checking account number when you are not making a purchase with that account.
- Tries to pressure or scare you into acting immediately.
- Contacts you for personal information the company already has.
- Gives you a check or money order and asks you to send some of the money somewhere else, possibly overseas.

### BEFORE OPENING YOUR WALLET

Always think twice before reacting to an offer by phone, mail or e-mail, as well as anyone who asks for money at your home. Remember, if it sounds too good to be true, it probably is. Protect yourself and help protect friends and loved ones by sharing these scam indicators. Learn more about protecting your finances from fraud at [www.fraud.org](http://www.fraud.org).\*

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

### HELPFUL HINTS FOR PAPER CHECKS

Paper checks are great for providing a paper trail. But that paper trail could also be a source of valuable personal information if that check falls into the wrong hands. Here are some steps you can take to minimize your exposure to theft.

- Eliminate paper checks from your statement. Liberty offers various statement options that remove checks from exposure to theft:

**Truncated.** A truncated statement is simply the statement you currently receive but without the cancelled checks. All of your monthly transactions are listed on the statement. If you ever find that you do need a copy of one of your cancelled checks, rest assured that you can easily view and print the copy by using our convenient Online Banking Service at [www.libertybank.com](http://www.libertybank.com). Or, if you prefer, you can contact us and we will provide you with the copy for a small fee.

**eStatements.** Receive your statements electronically rather than in your mailbox. eStatements give you the convenience of receiving your statement earlier than in the mail, and the security of not having your information lost in the mail, or stolen from your mailbox.

- Use a gel pen that can't be erased or washed. These pens can be found in office supply stores.
- Do not imprint any other personal info. There is no need to put your telephone number or Social Security number on your check.
- Consider paying your recurring monthly bills with Liberty Bank Bill Pay. You can make payments to virtually anyone in the U.S. with our Bill Pay feature and an eligible checking account.

# Is It Time for an Insurance Checkup?



**T**his year has been a challenge for many due to the recent economic downturn. Now is a good time to review your financial health. When you think of your financial health you should include an insurance checkup. Review your current insurance policies to see if you have the right coverage and receive the best price and service from your insurance company. Here are a few questions you may want to ask.

**Q: Why is the value of my home going down, but my insurance dwelling coverage is going up?**

A: Your dwelling coverage is based on replacement cost of the building, not market value. The insurance must cover the cost of materials and labor to rebuild your home like for like.

**Q: Can I save money by combining my home and auto insurance?**

A: Yes, many insurance companies will apply discounts to your policies when you place your home and auto with them. Some companies offer various discounts; central station alarm system, non-smoker and accident-free.

**Q: Why do I need life insurance?**

A: Life insurance needs vary depending on your personal situation. If you have no dependents, you may need a life policy for your funeral expenses. However, if your income is important in supporting your family, mortgage, other monthly bills and your children's college education, life insurance is important to ensure that these obligations are secured in the event of your death.

**Q: How much life insurance should I carry?**

A: To calculate life insurance, start with your current and future financial obligations. Then add up your existing resources that your surviving family members can use to support themselves (savings, stock and existing life insurance). Your difference will be the amount of life insurance you should purchase.

Liberty Insurance Agency would like to be your source for your insurance needs. Get a FREE insurance checkup today by calling a member of the Liberty Insurance Agency team at **772.792.1660**.

Insurance products are not bank products, nor are they FDIC insured. They are not a deposit or obligation of or guaranteed by Liberty Bank and may involve loss of value. Applications are individually underwritten and some individuals may not qualify.



The Liberty Insurance Agency team would like to meet you! Visit one of the Liberty Bank offices below from 9 a.m.-noon.

**Jan. 9** – 7111 W. Foster Avenue  
**Feb. 6** – 1018 W. Touhy Avenue,  
Park Ridge  
**Mar. 6** – 6666 N. Lincoln Avenue,  
Lincolnwood



# “Why do I need to review my beneficiaries?”



**Because your retirement accounts are probably your single largest, non-real-estate assets.**

**H**aving a will is very important to the eventual transfer of your assets, but it does not necessarily control how *all* your assets will be distributed to your beneficiaries. Chances are, you very likely have designated beneficiaries for a number of different specific assets throughout your lifetime – such as annuities, IRAs, insurance policies, and qualified retirement accounts. So, just as you periodically review your will, a review of your beneficiary choices for these assets is also extremely important.

Essentially, you want to make certain your beneficiary designations are up-to-date. When was the last time you checked on who was listed as beneficiary on your accounts? Changes in your family situation, state and federal tax laws and your overall wealth make this periodic check necessary.

Your beneficiary designations need to be personalized. After all, your situation is unique. I would be very happy to assist you in reviewing the status of your beneficiaries on your various designated assets.

**For a no-cost, no-obligation beneficiary review, just call my office today to schedule an appointment.**

**INVEST**  
FINANCIAL CORPORATION

**John Helwig,**  
Registered Representative of  
INVEST Financial Corporation  
(773) 594-6600

**INVEST FINANCIAL CORPORATION is not affiliated with Liberty Bank for Savings.**

Securities and certain insurance products are offered through INVEST FINANCIAL CORPORATION, a registered broker-dealer, member FINRA/SIPC, and its affiliated insurance agencies and are: • **Not FDIC or NCUA insured** • **May Lose Value** • **No Bank or Credit Union Guarantee** 11ce8189-0910-64961

# What's NEW on the Liberty Website



## LIBERTY BANK INTRODUCES THE COMMUNITY CORNER

Liberty Bank is pleased to announce a new feature on our website – the Community Corner.

Our commitment to our communities and neighborhoods goes back to 1898 when local members banded together in the spirit of neighbors helping neighbors.



We continue that tradition today by engaging with our neighbors through community giving and community action. Visitors to the Community Corner will be able to view the specific neighborhoods that we are involved in (Logan Square, Lincolnwood, Foster, Norwood and Park Ridge) for current and upcoming events, pictures from past events, chamber news and much more. Visit [www.libertybank.com/communitycorner](http://www.libertybank.com/communitycorner) for more information.

### ATM LOCATOR

Looking for an automated teller machine (ATM) in your area? Liberty Bank is a member of two ATM networks Stars<sup>®</sup> and MoneyPass<sup>®</sup> offering our customers more than 33,000 ATMs in the

Chicagoland area to give you easier access your accounts 24 hours a day. We have updated our ATM locator on the Liberty website. Find an ATM on your way to work, close to your gym or right around the corner by visiting [www.libertybank.com/links](http://www.libertybank.com/links).

### THE LATEST ONLINE

*The LATEST* is now available online. You can now find our 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.

# The Clock Is Ticking on 2009 IRA Tax Savings



**I**f you haven't contributed to an individual retirement account (IRA) yet, do it now. You have until April 15, 2010, to open and contribute to an IRA for the 2009 tax year.\*

IRAs are a smart way to save for retirement on a tax-favored basis. With a traditional IRA, earnings grow tax-deferred; you'll pay ordinary income taxes on withdrawals in retirement.\*\* You may even be able to deduct your contribution, saving on your current tax bill.\*\*\*

With a Roth IRA, you can't deduct contributions. However, earnings on the account may be withdrawn tax-free if you hold the account for at least five years and are at least age 59½ upon distribution.†

Contribution limits for 2009 and 2010 are \$5,000 or earned income, whichever is less. Taxpayers age 50 and older can contribute an additional \$1,000. In general, you must have earned income to open an IRA, but non-income-earning spouses of

income earners can open their own IRAs.

## GOOD (ROTH) NEWS FOR 2010

Prior to 2010, taxpayers with modified adjusted gross incomes above \$100,000 and married taxpayers filing separately could not convert from a traditional to a Roth IRA. Effective Jan. 1, 2010, anyone can convert to a Roth IRA. Ordinary income taxes will be due on the amount of the conversion, but if you convert in 2010, you may choose to split the tax bill between 2011 and 2012.

The new law does not eliminate the income eligibility requirements to open or contribute to a Roth IRA, but that doesn't prevent you from opening a traditional IRA and then converting it to a Roth.

### START TODAY

The sooner you start saving, the longer that tax-advantaged

compounding can work for you. If you have questions about opening a traditional or Roth IRA or converting to a Roth, visit a Liberty Bank office or our website [www.libertybank.com](http://www.libertybank.com).

\* You can make contributions for the 2010 tax year from Jan. 1, 2010, to April 15, 2011.

\*\* Premature withdrawals are subject to a 10% tax penalty.

\*\*\* Deductibility depends on whether you or your spouse participates in an employer-sponsored retirement plan and, if so, your income.

† Nonqualified withdrawals are subject to ordinary income tax plus a 10% penalty.

Liberty Bank does not give tax advice. Consult your tax advisor for information specific to your situation.



## 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**  
1.877.305.7070

**Online Banking**  
1.877.305.8080



# Liberty Bank

FOR SAVINGS

2392 N. Milwaukee Ave.  
Chicago, IL 60647

PRESORTED  
STANDARD  
**PAID**  
PRIORITY INC.



Market Watch

## Recession Over?



**I**n mid-September, Federal Reserve Chairman Ben Bernanke pronounced the recession “very likely over” based on some positive signs including a bump in consumer spending and good news in the stock market.

His optimism gained momentum in October when the government reported higher than expected growth in gross domestic product (GDP). GDP, a measure of the total value of goods and services produced in the U.S., grew 3.5% in the third quarter – a significant increase after four straight quarters of declines. Though an increase in GDP is not enough to end the recession, it is a good sign that the economy is beginning to recover. The National Bureau of Economic Research – the group charged with officially marking the beginning and end of recessions – likely won’t make the official announcement until sometime in 2010.

For millions of unemployed Americans, talk of economic recovery is futile until jobs – and job security – make a comeback. Unfortunately, Bernanke and other experts have warned that unemployment may continue to rise as businesses adopt a wait-and-see approach to hiring.

There’s also worry that third quarter GDP was propped up by stimulus spending and government programs such as Cash for Clunkers – not grounded in real, sustainable economic activity. Indeed, the fate of the U.S. economy depends largely on how Americans earn, save and spend their money in the coming months.

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## Your Community



### PARK RIDGE COMMUNITY STAR

The Park Ridge Chamber of Commerce announced the winners of the Community Star Award. Kane Connell, branch manager of the Liberty Bank Park Ridge office, will be recognized in the large business category. Kane is an active community member and focused on serving Park Ridge residents of all ages.

### VOICE OF THE CUSTOMER

As a result of customer survey suggestions, Liberty Bank has made two money and time saving changes. Effective Dec. 1, 2009, Liberty changed its Debit Card activation process. Debit Card customers no longer have to come into the bank to activate their new cards. A sticker will be affixed to all new cards issued. Customers can simply activate cards by using their primary telephone. On Nov. 18, 2009, Liberty joined The MoneyPass® ATM network, which has thousands of convenient locations coast to coast, and all are surcharge-free! This means that you can use your Liberty Bank ATM or Debit card at all non-Liberty locations that display the MoneyPass® logo, and you won’t be charged a surcharge fee by that institution. Remember your opinion counts!

### 2010 LIBERTY BANK CALENDAR

Liberty Bank has a convenient way to help you keep financially fit. The new 2010 Liberty Bank wall calendar includes a helpful financial tip each month. Stop by any Liberty Bank office to pick up a copy of the 2010 calendar while supplies last.

