

Ku'i Ka Lono

The Quarterly Member Newsletter of Kekaha Federal Credit Union
October 2004

Home ownership possible with new 40-year ARM mortgage

HOUSING PRICES IN Hawaii are going through the roof. But does that mean owning the roof over your head is an impossible dream? The median price for a single family home on Kauai is near



\$400,000, which makes buying your first home a formidable challenge.

At Kekaha FCU, we operate by the principle of “people helping people.” And we want to help our members attain their home buying dreams. So we are happy to announce a new 40-year ARM mortgage loan.

Here’s what we can offer first time homebuyers or those having a hard time qualifying for a traditional mortgage loan:

- A fixed rate for the first five years of the loan

(Terms based on 20% down and 40 years to repay. Rate at 5.75% annual percentage rate subject to increase or decrease.)

- The 40 year time frame that allows you to pay a lower monthly payment
- The lifetime ceiling that is your start rate plus eight points.
- The annual cap is two percent, which means your rate can only be raised two percent each year.

Let Kekaha FCU help you get the home you want with a mortgage you can afford. Call us at 337-1433 for more details on our 40-year ARM loan.

Apply for your next loan online, anytime

DID YOU KNOW you can apply for a loan on our Website?

Technology just made the loan application process easier. Log on to our Website at www.kekahafcu.org and choose either a mortgage, personal, or share secured loan. Then follow the easy application process.

For the most competitive loan rates, count on Kekaha FCU! Log on for your loan today!

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Let AIG Hawaii put some bucks in your
share or share draft account 3



Visit Our Website
www.kekahafcu.org

When it comes to car buying, it pays to be prepared

HOW MUCH MONEY do you think educated car buyers can save over uneducated buyers when buying the same car? Would you believe that uneducated buyers could pay thousands of dollars more on a vehicle than educated buyers?

It pays to be prepared before you set foot in a car dealership. Here are some basic tips to help you be an akamai auto shopper.

1. Put on a poker face. If you act excited, the sellers know they have a unique product you want. The price goes up instantly. Keep that enthusiasm in check until you've driven home.
2. Take your time and make price comparisons before you buy. Be willing to walk away. The price at most dealerships falls quickly if you move slowly.
3. Don't put down a deposit on a vehicle until the dealer approves your offer. Some dealerships use deposits to keep you there while they try to convince you to pay more. And you can't leave if they have your deposit—money, a credit card, a driver's license, or your kids.
4. Understand what leasing is all about and don't be bullied into signing a lease. Because dealerships make a much larger profit if they lease rather than sell, even the best dealership is going to try to "switch" you. They'll try to convince you leasing is cheaper than buying. In most instances, it isn't. If you want to lease, fine, but make sure you do your homework.
5. Know the trade in value of your car before you trade it in. A dealership has the right to give you the least you will take for your old car. You can check your car's value at www.kbb.com. This is the official Website of the Kelley Blue Book, a publication that has been guiding car buyers for over 75 years.
6. Check with your credit union for auto loan rates. Chances are you will get a better deal at your credit union than at the dealership.

Shopping for your next vehicle can be a painless experience if you are prepared. And don't forget to prequalify for your next auto loan at Kekaha FCU. Take advantage of our online loan application at www.kekahafcu.org.



Auto Loan Markups Can Cost You

Consumers who finance their vehicles through auto dealerships are charged at least hundreds of millions and perhaps as much as a billion dollars annually in undisclosed finance markup charges, reports the Consumer Federation of America, Washington, D.C. These hidden markups typically add at least \$1,000 to the cost of an auto loan.

This markup practice is encouraged by all of the auto industry's leading captive finance companies and top auto-lending banks. Marked-up finance rates are determined arbitrarily by the dealer and encouraged by the lender, regardless of the consumer's credit-worthiness, with kickbacks to both.

Don't be part of the statistics. Come see us today for all your auto financing needs.

GAP insurance could save you thousands of dollars

THERE COULD BE a big difference between what your insurance will pay and what you owe on your loan. Most cars depreciate by thousands of dollars as soon as they are purchased. And if your vehicle is stolen, accidentally damaged beyond repair, or otherwise declared as a total

loss, you are still liable to pay the difference as the “gap” between your insurer’s settlement and your loan balance. The gap will come out of your pocket for a vehicle that, for all practical purposes, no longer exists.

MEMBER’S CHOICE
Guaranteed Asset Protection

(GAP) could save you thousands of dollars. GAP is low-cost coverage that pays the potentially high cost difference between your insurance settlement and your loan balance on items directly related to the purchase of your vehicle. For just a few dollars a month,

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AIG Hawaii’s ShareBucks: The easiest money you will make this side of Vegas

AIG HAWAII WANTS to give you \$5.00 – absolutely free. All you have to do is call AIG Hawaii for an auto insurance quote and AIG Hawaii will give you a \$5.00 ShareBucks certificate, which you will deposit in your Kekaha FCU share or share draft account. And if you choose AIG Hawaii’s convenient electronic funds transfer of your auto insurance payment from your share or share draft account, AIG Hawaii will award an extra \$25.00 ShareBucks certificate!

Remember that only AIG Hawaii offers credit union members the many benefits of its Auto Plus program:


- Special discounted insurance rates exclusively for credit union members;
- AIGReponse, the state’s most comprehensive emergency roadside package, for only \$3. Day or night, professional roadside assistance is only a phone call away! Plus, only AIGResponse offers concierge service, so if you’re stranded anywhere, AIG Hawaii can assist you with towing, lockout or gasoline needs all with a single phone call!
- Top quality service for your auto insurance needs when and where you need it, whether by phone, in-person at our convenient offices statewide, or through the Internet at www.aighawaii.com;
- Auto claims service that is Done Fast, Done Right...Guaranteed!

And that’s just the start. AIG Hawaii now features the exclusive DriveSafe program.

With DriveSafe, the longer you maintain an accident-free driving record with AIG Hawaii, the more benefits you receive – including annual discounts for your safe driving record, and savings on surcharges and increases in case of an accident, depending on the years of accident-free driving.

To take advantage of AIG Hawaii’s ShareBucks program, as well as exclusive AutoPlus benefits, contact AIG Hawaii at 533-2444, or toll free from the Neighbor Islands at 1-877-533-AIGH (2444) or visit www.aighawaii.com/sharebucks.


**Call 533-AIGH
for a free auto insurance
quote and get \$5**




PLUS, GET \$25
when you select a preferred payment plan.

Call AIG Hawaii today!
Be sure to mention the **ShareBucks** promo.

Oahu: 533-AIGH (2444)
Neighbor Islands Toll-Free: 1-877-533-2444
www.aighawaii.com/sharebucks





Limit one \$5.00 ShareBucks quote incentive and one \$25.00 ShareBucks payment plan incentive per household, per year. ShareBucks must be deposited into your participating credit union account. Promotion valid from 10/01/04-3/31/05. To receive \$25.00 ShareBucks, AIG Hawaii customer must select "One Pay," Electronic Funds Transfer or Payroll Deduction payment option. AIG Hawaii policyholders who currently pay their premiums in two or four installments can receive \$25.00 ShareBucks by switching to "One Pay," Electronic Funds Transfer or Payroll Deduction. Offer subject to change without notice. Some restrictions apply.

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KEKAHA FEDERAL
CREDIT UNION

GAP insurance

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GAP can save you from making loan payments on a car, truck, or other vehicle that's beyond repair or stolen and not recovered.

You can sign up for GAP when you apply for your vehicle loan. There's no underwriting, no red tape, no hassles. And for your convenience, the amount can be rolled into your monthly loan payment. GAP is fully refundable if you cancel the coverage within the first 60 days and is partially refundable anytime thereafter.

GAP provides security for financial loss and includes:

- Protection for the term of our loan up to 84 months
- Coverage for vehicles valued up to \$100,000 at time of purchase
- Payment of benefits up to \$50,000
- Coverage for auto insurance deductibles as part of the GAP claim settlement up to \$1,000 and where allowed by law
- Benefits for new or used vehicles, including cars, light trucks, motorcycles, and some other motorized vehicles
- GAP Plus coverage, which includes up to \$1,000 down payment credit toward a replacement vehicle, where allowed by law and when financed by your credit union

Let MEMBER'S CHOICE close the gap with GAP! Ask about this valuable insurance when you apply for your next vehicle loan at Kekaha FCU.

Six simple steps to help prevent identity theft

I DENTITY THEFT — THE fastest-growing white-collar crime in America—occurs when someone steals your personal identifying information, like your Social Security Number, birth date, or mother's maiden name, to open new charge accounts, order merchandise, or borrow money. Consumers targeted by identity thieves usually don't know they've been victimized. But when the fraudsters fail to pay the bills or repay the loans, collection agencies begin pursuing the consumers to cover debts they didn't even know they had.

Here are six tips that may help prevent identity theft from creating havoc in your life:

1. Before revealing personal identifying information, find out how it will be used and if it will be shared with others. Ask if you have a choice about the use of your information: can you choose to have it kept confidential?
2. Pay attention to your billing cycles. Follow up with creditors if bills do not arrive on time.
3. Give your Social Security number only when absolutely necessary. Ask to use other types of identifiers when possible.
4. Minimize the identification information and the number of cards you carry to what you actually need. If your I.D. or credit cards are lost or stolen, notify the creditors by phone immediately, and call the credit bureaus to ask that a "fraud alert" be placed in your file.
5. Order a copy of your credit report from the three credit reporting agencies every year. Make sure it's accurate and includes only those activities you've authorized.
6. Keep items with personal information in a safe place; destroy them when you don't need them anymore. Make sure charge receipts, copies of credit applications, insurance forms, bank checks and statements, expired charge cards, and credit offers you get in the mail are disposed of appropriately.