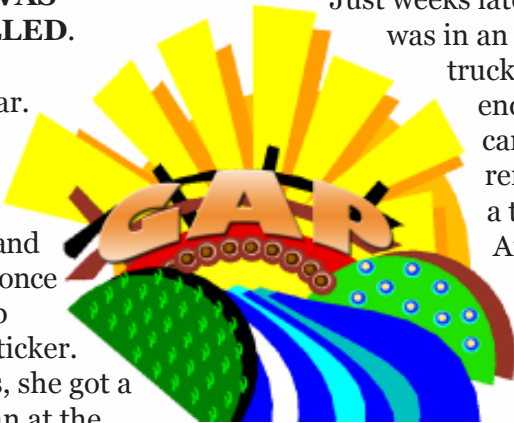


# Ku'i Karuono

The Quarterly Member Newsletter of Kekaha Federal Credit Union  
April 2005

## The car is destroyed, but the loan lives on

**M**AILE WAS THRILLED. She just bought her first car. Although it was a used car, it was reliable, got her to school and work, and looked really cool once she put on the Bob Marley bumper sticker. The best part was, she got a great used car loan at the credit union.



Just weeks later, Maile was in an accident. A truck rear-ended her car, rendering it a total loss. And although the car was now gone, the

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## How to test drive a car

**W**HEN IT COMES to car shopping, until you get a test drive, you can't be sure if that particular car or truck is one you could live with happily for several years.

Here's what to look for before and during your test-drive:

### Size and seating

- ✦ How easy or hard is it to get in and out of the backseats?
- ✦ Will the trunk or cargo space carry luggage, groceries, or other supplies you need?
- ✦ Is the rear opening low enough for easy lifting into the vehicle?

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**Need Wheels? Come See Us First!**

**Kekaha FCU offers members:**

- ☆ New or Used Auto Loans @ 4.99% APR\*
- ☆ Discount group auto insurance with AIG
- ☆ GAP insurance with MEMBERS CHOICE

Call 337-1433 or log on [www.kekahafcu.org](http://www.kekahafcu.org)

\*Annual Percentage Rate

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## Test drive tips

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- ✦ How easily do rear seats fold down for more hauling space?
- ✦ Does the view out the windshield and overall visibility seem good?

### Road performance

- ✦ Does the automatic shift change gears smoothly?
- ✦ Does the car handle cornering without leaning or swaying too much?
- ✦ When you brake, do you get a fast, smooth, controlled stop without pulling to the left or right?

## The loan lives on

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car loan still remained.

Does this story have a happy ending? Yes, because Maile had GAP— Guaranteed Asset Protection from MEMBER'S CHOICE. 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, GAP can save you from making loan payments on a vehicle that's beyond repair or stolen and not recovered.

You can sign up for GAP when you apply for your auto loan at Kekaha FCU. The amount of GAP can be rolled into your monthly loan payment. And GAP is fully refundable if you cancel the coverage within the first 60 days and is partially refundable anytime thereafter.

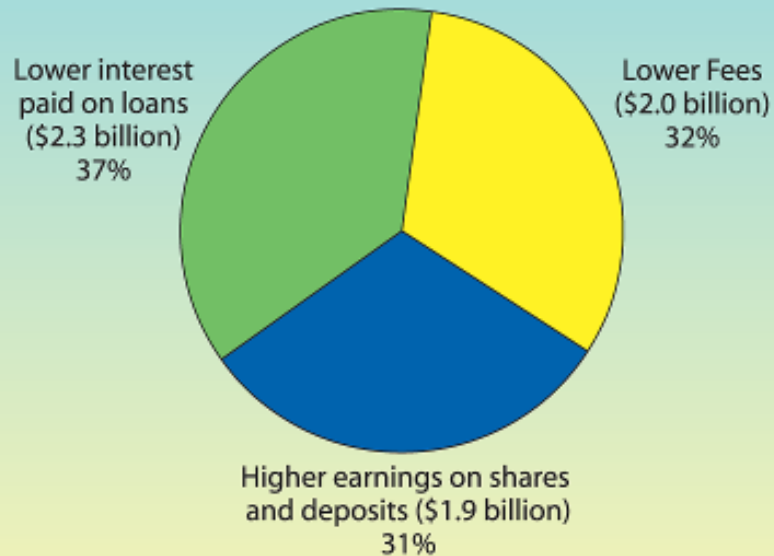
## Comfort

- ✦ Will you be comfortable for long drives?
- ✦ Is the car quiet?
- ✦ Do you hear rattles or other noise with the radio off?
- ✦ Is the wind noise at freeway speeds bothersome?

- ✦ Does the heater or air conditioner fan noise seem reasonable?

For all your car loan needs, call us at 337-1433. We can put you in the driver's seat that's right for you.

## \$6.3 Billion a Year: Estimated Credit Union Member Financial Benefits\*

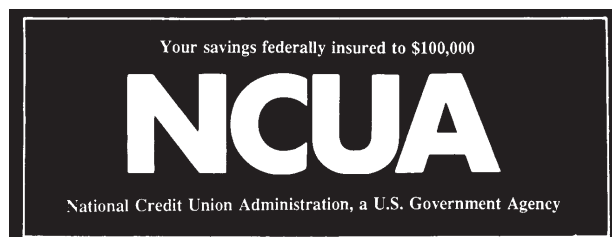


Credit union membership confers a real financial benefit, to the tune of about \$150 a year per member household.

\*2002 Source: Federal Reserve, BAI, CUNA & Affiliates

Protect your family, your car, and your credit rating with MEMBER'S CHOICE GAP

protection. Call Kekaha FCU for more information at 337-1433.



# Yes, you can qualify for a mortgage loan

Let us help you fulfill your homeownership dream

**F**OR ANYONE WHO'S dreamed of owning a home, the words "your loan is denied" can be a blow. How easy to give up, especially if you already have some debt and live on a modest income. But patience and hard work can make home ownership a reality.

At Kekaha FCU we strive to find creative ways to make your home owning dream a reality. If your credit history is less than pristine or if you think you don't earn enough money to qualify for a mortgage, come talk to us. Together we can find the best way for you to qualify for a mortgage loan and to buy your own home.

Lenders size up loan applicants on whether or not they are good credit risks. In other words, will an applicant fulfill a debt



obligation or fall behind on payments and eventually default? Factors that can derail a

mortgage application include a debt-to-income ratio above 35 percent, less than two years of employment history, nonpayment of bills, and application to purchase property that's depreciating in value.

Most lenders use credit scoring, an objective model that predicts credit risk. In essence, scoring uses credit report data to evaluate your credit history based on experience with other borrowers. Computerized credit scoring speeds up the loan

## These "Three C's" are the traditional acid test for creditworthiness:

**Capacity.** Do you have the income to repay the debt? Lenders review employment history, gross monthly income, housing expenses, and outstanding debt.

**Character.** How much debt do you already owe, do you pay your bills on time, and are you able to live within your means? Lenders also want proof of stability—how long you've lived at the same address and held your present job.

**Collateral.** Is the property structurally sound or a sagging shack that will undermine your ability to repay the mortgage? A licensed appraiser helps make this determination.

underwriting process and eliminates human bias. But it doesn't have the human ability to detect personal issues that can affect someone's credit history. That's why we at Kekaha FCU sometimes consider other factors in the case of low-scoring applications. We also may find situations that override a poor score.

The credit union wants to find reasons to say yes, not to say no. So call

us at 337-1433 and start learning how you can become a homeowner.

## Don't miss our scholarship deadline!

**T**HE DEADLINE TO submit your Kekaha FCU scholarship application is April 15, 2005

Each year, Kekaha FCU offers a \$1,000 scholarship to a qualified graduating high school senior who is a member or within the credit union's field of membership.

Applications are available at Kekaha FCU and Waimea High School.

Scholarship applicants:

- must be a member or within the field of membership of Kekaha FCU;
- must be a graduate of a recognized high school or be graduated from one within four months of the date the application is submitted;
- must qualify for entrance to an undergraduate university, college, or technical school in the United States through

entrance examinations or otherwise for the fall term of the year the application is submitted; and

- must be of sound mind and good character and intent on pursuing higher education. Scholastic grades, school and community activities, citizenship, and character will be considered in awarding the scholarship. Selection will be announced by May 16, 2005.

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Hours:

Mon-Fri

8:00am - 4:00pm

Scot Tsuchiyama

Manager/Treasurer

Owen Moe

President



**KEKAHA** FEDERAL  
CREDIT  
UNION

## What can you do with a tax refund this year?

**I**F YOU'RE LUCKY enough to be getting a tax refund this year, careful planning could help you do a lot.

### **Pare debt**

- ☞ Make a credit card payment, more than the usual monthly payment.
- ☞ Pay off part of a student loan.

### **Pay bills**

- ☞ Pay part of your property tax bill.
- ☞ Ante up for school supplies and wardrobes.

### **Boost savings**

- ☞ Contribute now to your IRA (if you have earned income); don't wait until the tax-filing deadline.
- ☞ Add it to your sunny day fund for future recreation.

### **Have fun**

- ☞ Enjoy a long weekend at a restful site.
- ☞ Enroll in a class to learn a skill you've been curious about.

### **Do good**

- ☞ Improve your home with fresh paint in a neglected room.
- ☞ Donate to a good cause; get a receipt so you can take the charitable deduction if you itemize deductions on your tax return.

## Members+Movie=Extra Special Annual Meeting

**I**T HAS BECOME a fun-filled family tradition. The Kekaha FCU annual meeting at the Waimea Theatre on February 18, 2005 featured a luau dinner and the movie "Coach Carter" – plus door prizes, fellowship, and a report on the state of the credit union.



Members line up for dinner before the meeting and movie.

(Photo below) Marcia Martin wins a \$50 WalMart gift certificate.



(Photo above) Linda Matsuda shows off her grand prize \$500 travel voucher as husband George considers which exotic destination they will visit. (Like Vegas, maybe?)