

Kūi Kā Lono

The Quarterly Member Newsletter of Kekaha Federal Credit Union
January 2005

Kekaha FCU says “aloha” to Leimomi Crowell

AFTER NEARY 30 years at Kekaha FCU, Leimomi Crowell retired at the end of December. Leimomi began her career at Kekaha FCU as a part-time teller and clerk. She retired as the credit union’s assistant manager. Through the years, Leimomi became a known and trusted friend to Kekaha FCU members. When once asked what she liked best about working at the credit union, she replied, “I enjoy the members. I know practically all of them by name.”

With her retirement, Leimomi will now have more time to enjoy her favorite activities, including spending time with family, sports, going to the beach, embroidery and crewel.

The Kekaha FCU *ohana* wish Leimomi the best in her retirement.



Leimomi Crowell

How to cure the holiday spending hangover

THE HOLIDAY SHOPPING frenzy is over. The presents have been unwrapped, family and visitors have gone home and you can breathe a sigh of relief. That is, until those credit card bills arrive.

The fact is, the sooner you make a payment to a credit card company, the less interest you’ll pay.

If you only can afford to pay the minimum each month, there’s still a way to accelerate your payoff. Stop charging on the card—and make payments every other week.

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Mark your calendar for our annual meeting!

KEKAHA FCU WILL once again occupy the historic Waimea Theater for its annual membership meeting. The February 18, 2005 event will feature a luau dinner and a movie – plus door prizes, fellowship, and the opportunity to hear how your credit union is doing.

If you are new to Kekaha FCU, this annual meeting is a “must-attend.” As a member, you are an owner of the non-profit, democratically controlled credit union. Through your participation, you can help shape the future of your credit union.

Tickets are now available for purchase at the credit union. The cost is only \$10.00 for adults and \$6.00 for kids. Call us at 337-1433 for more information.

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Visit Our Website
www.kekahafcu.org

Resolve to budget, save, and invest

JANUARY IS A good time to take stock of your personal finances. You can make positive changes to your spending and saving habits, whether it's making a New Year's resolution to get spending under control, figuring out how to save for a down payment on a house, or analyzing your investment portfolio. Many people, however, don't know where to start.

Where are you now?

Start with a personal assessment. Ask yourself: Do you track where your money goes? Have you identified your spending leaks? Do you have a written spending plan? Do you have an emergency or rainy-day fund? Do you live within your means? Do you have written financial goals?

Know the difference

Many people think that if they don't overdraw their financial accounts, they're doing just fine. But that's not the whole story. Not even close.

Having a plan for different aspects of your life is essential. Consider a plan where you:

- Budget for short-term goals.
- Save for medium-term goals.
- Invest for long-term goals.

Ask for help

Budgeting, saving, and investing are essential components of financial well-being, and they require different strategies. Your friends at Kekaha FCU can help you get started. Call us today at 337-1433 to help you start the New Year on the right financial footing.



You'll never catch us phishing

If you get a message asking you to verify personal information, it didn't come from your credit union!

We'll never send you a letter or e-mail asking for your account numbers, usernames, passwords, or Social Security number. If you get a message like that—called phishing—don't bite.

Instead, call Kekaha FCU at 337-1433 to report any suspicious requests for personal information.

Holiday hangover

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For example, take a credit card with a \$5,000 balance, a minimum monthly payment of \$100, and an annual interest rate of 14 percent. By paying \$100 each month, you would pay the card off in six years and four months. By sending \$50 payments biweekly, you would pay off the card almost 10 months earlier—and save \$339 in interest.

The best thing you can do to reduce credit card debt is to transfer the balance of your high interest rate credit cards to a Kekaha FCU Visa credit card. Our Visa Classic card offers a great 10.99 percent interest rate; our Visa Platinum is even lower at 9.90 percent! What's more, there is no annual fee for a Kekaha FCU Visa card. Call us at 337-1433 to find out how you can get a Kekaha FCU Visa credit card.

Home equity loans give you room for improvement

IT'S A TOUGH choice for a homeowner: Move into a new house, or improve the one you have. It seems so easy to call a realtor and arrange a showing. But your current home has something no new home can offer—equity.

Home equity provides homeowners a ready financing source. Over the past 10 years, home equity loans have skyrocketed, with Americans borrowing more than \$500 billion.

On average, homeowners spend 18 months planning home improvements. Bathroom and kitchen renovations provide the greatest return, between 90 percent and 95 percent. Decks and home offices hold the low end, between 65 percent and 70 percent.

As you plan, look at your neighborhood. Will renovations put you in a different price range than your neighbors? Also, keep in mind how long you'll be in your house. If you're going to fix it up and sell in six months, you'll get the pain of remodeling and not much gain. But if you plan to live in the house more than three years, it makes economic sense to remodel.

How do you calculate your available equity? First step: Say you made a down payment of \$20,000 on a house priced at \$100,000 five

Home Equity Loans Can Be Tax Deductible

The interest on a home equity loan or home equity line of credit usually is tax deductible. But, if you use the money for anything other than home improvements, or the combined amount of your mortgage and home-equity loan exceeds the fair-market value of your home, you may not be able to deduct all the interest. Contact a tax adviser for more information.

years ago. Since then, you've paid \$15,000 toward the principal, and the market value of your house has increased to \$115,000. The sum of your down payment (\$20,000), principal paid (\$15,000), and the increase in property value (\$15,000) gives you \$50,000 in equity.

Second step: Ideally, what you owe on your home—mortgage plus home equity loan—shouldn't exceed 80 percent of your home's value. So 80 percent of \$115,000 suggests, if you meet other lending yardsticks, you may be eligible for as much as a \$27,000 home equity loan (house is worth \$115,000; 80 percent of that is \$92,000; you still owe \$65,000 on the first mortgage; so \$92,000 - \$65,000 = \$27,000).

Call Kekaha FCU at 337-1433 to discuss your home equity loan options today.



OPEN ENROLLMENT 2005
Exclusively for Credit Union Members!

Retiree Health Care Program



For many of Hawaii's senior population, having access to good health care is a luxury. While retirees depend on Medicare, it's a rude awakening when they learn that Medicare does not cover many of their needs! Furthermore, if you are younger than 65 years or not yet eligible for Medicare, you may require even more health care benefits to cover expenses for medical, drug, dental, and vision services.

There is an alternative solution for Hawaii's community! If you are a retired and eligible credit union member you can purchase a Retiree Health Care Package, which is exclusively offered to participating credit unions. There are four different package options available. Choices include comprehensive HMSA Medical, Vision and Dental or Kaiser Medical, Vision with HDS Dental or HMSA Vision and Dental these packages also include the Paid Prescriptions Discount Drug Program. If you only need a dental plan the fourth choice is the Retirees HDS Dental Plan.

Monthly premiums start at \$27.78 per month for the HDS Dental plan only and are automatically deducted from your credit union account. Hurry, open enrollment ends January 31, 2005.

For specific plan and/or rate information, please call the plan administrator.

Consumers Group Insurance Services, Inc.

at 539-1677 (Oahu),
Toll free 1-888-942-2447 or
Email: cgisservice@royalstate.com



To keep or to toss? How to keep good tax records

WHEN IT COMES to tax-related documents, good recordkeeping means knowing what to toss, and what to keep and for how long. The IRS (Internal Revenue Service) doesn't require you to keep records in any particular way. Develop a system that helps you and the IRS figure your correct tax.

Keep track of expenses

Throughout the year, collect receipts that document tax deductions. Consider designating a file for each tax credit, such as child care; and for each deduction, such as medical expenses, charitable contributions, mortgage interest, real estate taxes, alimony, and casualty losses. Cash payments require a dated and signed receipt showing amount and description.

If you use a software package for recordkeeping, you'll need to produce proof of payment, receipts, and other documents to prove amounts on your return.

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Good tax records

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Organize home records

Keep closing statements, purchase and sales invoices, and proof-of-payment and insurance records. Keep Form 2119 if you sold a house before 1998. Keep improvement records until you sell the home.

Just hang on

Keep W-2s, 1099s, and brokerage and financial statements to prove income at least three years after you file, or longer if necessary. IRS guidelines state that you should keep documentation for deductions at least three years, but if you've underreported income by 25 percent, the IRS can audit up to six years later. If you filed a fraudulent return or didn't file one at all, all bets are off—an audit can occur at any time.

Shred or burn

Get rid of receipts that don't document a tax deduction or that aren't for large purchases or warranties. Shred credit card receipts and statements that don't contain tax-related expenses, after matching them against your monthly statement. Match paycheck stubs against your annual W-2, then shred the stubs. Verify quarterly retirement and savings statements against the annual summary, then shred.

For more information

Visit the IRS Website at www.irs.gov. Search for Publication 552, Recordkeeping for Individuals.



Help us welcome Editha Barba to our ohana

KEKAHA FCU IS pleased to introduce Editha Barba, the newest member of our credit union ohana.

How long have you worked at Kekaha FCU? I started on November 1, 2004.

What is your job at Kekaha FCU? I am taking Leimomi's position as a supervisor.

Where did you work prior to Kekaha FCU? I worked at American Savings Bank for eight years.

What do you like best about working at Kekaha FCU? It's a Monday to Friday job - that's great. And best of all, I get the chance to see friends.

What was the most interesting job you ever had? I was a certified nurse's aide. It was very rewarding because you learn to understand what caring is all about.

What do you like to do for fun in your free time? I do my crafts, make all kind of leis, scrapbooking and sewing. I also enjoy going to the beach with my family.

Do you have a favorite color, food, movie? My favorite colors are black and white. I love steak and shrimp. My favorite movies are Legally Blonde and Forever Young.

If you could trade places with one person for one day, who would that be and why? I would want to be a

Fairy Godmother and use my magic wand to change the world into a better place.



Editha Barba