

Kū'i Kā Lono

The Quarterly Member Newsletter of Kekaha Federal Credit Union
October 2005

International Credit Union Day celebrates members

FOR 55 YEARS, credit unions have set aside the third Thursday in October to celebrate International Credit Union Day. Each year, it gives us an opportunity to remember our proud history as we promote understanding and support for the credit union difference.

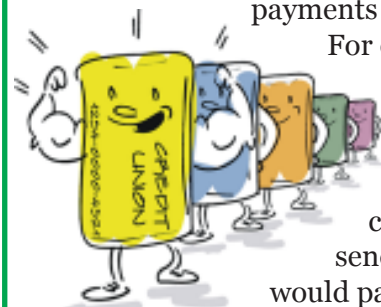
In 1848, Freidrich Raiffeisen, mayor of Flammersfeld, Germany conceived of the idea for a credit union to help ease the distress of farmers suffering from the famine that had struck his district. Today, more than 123 million people belong to

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How to reduce credit card debt

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.



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.

And if you *are* paying 14 percent interest on your credit card, it's time to switch to a Kekaha FCU Visa credit card! Our Visa Classic interest rate is just 10.99 percent APR * and our Visa Platinum is a low 9.90 percent APR*. Call us at 337-1433 for more information.

*APR=Annual Percentage Rate

**International
Credit Union Day
October 20, 2005**

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Visit Our Website
www.kekahafcu.org

Safe shopping

DOES THE THOUGHT of making your way through crowded malls and shopping at 20 different stores only to wait in long check-out lines have you feeling like the Grinch? Shopping online during the holiday season can save time and minimize stress, but know a few simple rules before you dive into the world of online purchasing.

1. Only buy from familiar companies. Confirm the seller's contact information in case you have questions or problems in the future. Know exactly what you're buying. Carefully read the product description. Remember—if it seems too good to be true, it probably is.

2. Protect your privacy. Read and understand the company's online privacy policy and keep any personal information, passwords, or PINs (personal identification numbers) private. Look for these signals indicating that you have entered a secure Web page:

- A screen notice that says you're visiting a secure site
- A closed lock or unbroken key in the bottom corner of your screen
- The first letters of the Internet address you are viewing change from "http" to "https"

3. Pay safely. After you review all terms of the sale, such as cost for shipping, delivery date, and return policy, you are ready to buy. Credit card payments offer consumers the most protection—do not send cash, check, money order, or cashier's check. Print all transaction records and any other useful information pertaining to your purchase.

Share the **GOOD NEWS** and the Wealth

Don't keep your credit union a secret.
Tell family members, friends, and co-workers
about the advantages of belonging to a credit union.
The low loan rates and fees, and higher savings rates—
coupled with outstanding service and ownership—make your
credit union the best-kept secret around.
So share the good news and have your friends
and co-workers stop in and see us.
We can help with all of their financial needs.

Don't keep it a secret any longer.



*Annual Percentage Yield as of 9/15/05, rate subject to change without notice. Minimum balance to open an account and obtain the stated APY is \$50,000.00. A penalty may be imposed for a withdrawal prior to maturity. Certificates automatically renew at maturity at the then-current rate for the same term.

Courtesy checks help make holiday shopping easier

IF YOU ARE a Kekaha FCU Visa credit card holder in good standing, your convenience checks are in the mail.

Convenience checks are preprinted with your name and can be used just like a personal check. The amount of the check you write is charged against your Kekaha FCU Visa credit card. It's like writing your own loan without the hassle of applying and qualifying.

Convenience checks can be used to pay merchants who do

not accept Visa credit cards. You can use them to make a purchase, access money, or transfer a balance from another high-interest account.



Convenience checks will be sent to qualified members in November, just in time for holiday shopping.

Get unstressed! Open your Christmas Club account now

DO YOU ALWAYS scramble to pay for presents and other holiday items when the season arrives? One way to relieve your holiday finance anxiety is to open a Christmas club account at your credit union.

Figure out approximately what you spent last year, and put this

into your account monthly. To make it even easier—and possibly less painful—you also can arrange to have that amount automatically deducted from your paycheck.

With a Kekaha FCU Christmas Club account, there is no minimum deposit and dividends are posted quarterly. Club

account funds are dispersed with checks issued on October 1 – giving you plenty of time to do your holiday shopping!

Get started on your Christmas Club Account today and have a very merry holiday next year! For more information, call us at 337-1433.



“Spear phishing” attacks savvy computer users

COMPUTER HACKERS ARE continually creating new ways to scam personal information out of even the most computer-savvy people. The Wall Street Journal recently reported a new wave of more sophisticated phishing attacks, dubbed “spear phishing.” Most computer users have become familiar with phishing, where hackers send phony e-mails—claiming to be financial institutions—that ask for personal information.

The more sophisticated attacks—spear phishing—are targeted at specific companies and government agencies. The crime involves phony e-mail messages designed to look like they're from the recipient's company or organization—often from an information-technology or human-resources department.

Another technique used by thieves involves tricking people into faxing their personal information. The new technique sends phony e-mails that ask people to fax sensitive information to bogus security investigators.

To avoid becoming a victim, install a firewall, update antivirus and antispyware programs, make sure your browser has updated security patches, never use e-links within e-mail messages, and never give personal information in response to urgent e-mails. Review your statements carefully, and remember that your credit union never will contact you to request personal information.

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Hours:
Mon-Fri
8:00am - 4:00pm

Scot Tsuchiyama
Manager/Treasurer

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President



International Credit Union Week Continued from page 1

40,421 credit unions around the world.

Kekaha FCU also has a proud history of service to its members and community. Our humble beginnings in 1938 focused on offering the families of Kekaha Sugar Company a safe place to save and borrow money. Today, we serve the entire island of Kauai with a full line of financial products and services and technology that brings Internet home banking to our members 24-hours a day, 7-days a week.

Member service is the foundation of the credit union movement. Whether a credit union is providing a loan to help a member cover unexpected medical bills, giving financial counseling to a member whose company closed its doors, or simply offering a better deal on a used car loan, the credit union is making a difference for its members and the community as a whole.

In the 2003 American Banker/Gallup Consumer Survey, credit unions led the financial institution ratings for staff friendliness and courtesy, speed of loan decisions, deposit rates, and improvements from year-to-year in service quality.

This International Credit Union Day, we are excited to be a part of your dreams and achievements. Thank you for being part of the credit union difference. Please don't hesitate to tell us how we're doing, and how we can provide even better service in the future.

Bankruptcy is NOT a quick fix solution

WHILE MOST PEOPLE filing for bankruptcy have no alternative due to events beyond their control, approximately 10 to 13 percent of filers have been taking advantage of the system. They rack up debts and then file bankruptcy to avoid paying them, even when they could afford to pay. Credit unions wanted to help stop the abuse and protect all consumers, so they worked for passage of a new law aimed to stop or reduce bankruptcy abuse.

The Bankruptcy Abuse and Prevention and Consumer Protection Act of 2005 passed in April and will go into effect mid-October, 2005. Credit union leaders recognize that bankruptcy may be the only way

for some consumers to get a "fresh start," but also believe that consumers who can repay their debts should be made to repay their debts.

Among many changes in the new law, credit unions most strongly supported:

- Reaffirmation – Voluntarily reaffirming debt is a promise to repay the debt instead of discharging it in bankruptcy.
- Means test: Establishing an income-based "means test" to see if a debtor qualifies to have some or all debts wiped away.
- Financial counseling and education: Requiring financial counseling and education helps consumers learn how declaring bankruptcy hurts their long-

term financial health—and they gain a better handle on the wise use of credit.

Bankruptcy abuse has a cost for consumers who do not file for bankruptcy as well as for those who do. This cost comes in higher prices for consumer products, higher loan rates, lower savings yields, or higher fees to make up the losses from abuse. It's estimated that bankruptcy has been costing your family as much as \$550 a year.

Credit unions have a long history of helping members. If you are struggling with debt, let us help! Call us at 337-1433 and we'll help you to find alternatives to bankruptcy and get you on your way to financial fitness.