

# Ku-i-Ka-Lono

The Quarterly Member Newsletter of Kekaha Federal Credit Union  
July 2006

## Retirement savings insurance increased

**F**OR THE FIRST time in 25 years, Congress has raised the limit on federal deposit and share insurance coverage to protect against retirement savings loss if a bank or credit union fails. The higher insurance limit only applies to certain retirement accounts insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA).

The increase to \$250,000 for retirement account protection is important because many people saving for retirement have accumulated well in excess of \$100,000. With the additional NCUA coverage, more members who rely on their credit union as a safe harbor for retirement savings will be completely protected if their institution were to fail. What's more, the additional coverage means many people will no longer need to go to more than one institution to get full coverage for retirement funds in excess of \$100,000.

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## College bound student wins scholarship

**E**ACH 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.

This year, we congratulate Waimea High School graduate Marissa Satsue Fountain, who was awarded the scholarship to pursue her education. Marissa was chosen for her high academic achievements and involvement in many extracurricular activities, including athletics (varsity soccer and track), academics (National



Marissa Fountain

Honor Society, Japanese Club, Yearbook) and civic groups (Leo Club, Adopt-a-Highway, Hawaii Youth Soccer Association).

Marissa will pursue a bachelor of science degree at Chaminade University on Oahu.

An appointed committee of Kekaha FCU members selects the annual scholarship winner

based on grades, school and community activities, citizenship, and character.

College Prep 101: What you need to know after high school! See page 3...

## Internet Phishing: Don't take the bait

**I**NTERNET SCAMS—PARTICULARLY “phishing”—are a growing menace. If you have Internet access, you may be under attack by these scams. Internet scams involves three components:

- “**Spoofing**” is creating a replica of an existing Web site.
- “**Spamming**” is unsolicited or “junk” e-mail.
- “**Phishing**” is the act of using spoofing and spamming to lure unsuspecting victims into disclosing their Social Security number, credit card and checking account numbers, passwords, or other sensitive information.

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[www.kekahafcu.org](http://www.kekahafcu.org)

## Retirement savings

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Kekaha FCU wants its members to understand the basics about the new and existing insurance coverage.

**Traditional and Roth IRAs and KEOGH retirement accounts at NCUA insured credit unions are now insured up to \$250,000, up from the previous \$100,000 coverage.**

Effective April 1, 2006, NCUA insured credit union retirement accounts such as IRAs and Keogh accounts are insured up to \$250,000. Under new rules, traditional and Roth IRAs at one credit union are now insured in the aggregate to \$250,000. NCUA also insures Keogh accounts separately in the aggregate to \$250,000. Retirement account insurance protection is separate and apart from insurance coverage on other credit union accounts.

For example, if you have a regular share account, an IRA, and a Keogh at the same credit union, the regular share account is insured up to \$100,000, the IRA is separately insured up to \$250,000, and the Keogh is separately insured up to \$250,000.

**Basic insurance coverage for other share accounts is still \$100,000.**

There are many ways to qualify for more than basic coverage at one institution. Generally, if a credit union member has more than one account in the same credit union, these accounts are added together and insured in the aggregate.

For example, if you have a regular share account, a share certificate, and a share draft account in your name alone, these accounts will be added together and insured up to \$100,000 separate from your retirement account. What's more, joint accounts you hold with other people are separately insured up to \$100,000. For instance, if you have three accounts at one credit union—a \$30,000 share draft account in your name, a \$60,000 savings account you own jointly

with your spouse, and a \$100,000 account for a corporation you own. Although the three accounts total \$190,000, all of the money is fully insured by NCUA because each type of account is in a different ownership category that is separately covered to \$100,000.

Revocable trust accounts may also qualify for separate insurance coverage of up to \$100,000 per beneficiary if certain conditions are met. For example, if you have a \$300,000 payable-on-death account naming your spouse and two children as the beneficiaries, upon your death the entire \$300,000 would be insured by the NCUA (\$100,000 per beneficiary).

This insurance coverage would be separate from the money you have in other types of accounts at the same institution. And under the new rules your retirement accounts are protected up to \$250,000 and insured separate from your other accounts.

**The insurance limits could rise in the future, but it wouldn't occur before 2011, if at all.**

The new law establishes a method for considering an increase in the insurance limits on all share accounts (including retirement accounts) every five years beginning in 2011.



**Service  
in Your  
Slippers**

You're ready for bed. All of a sudden you remember that you forgot to go to the credit union. Don't worry about it—just hop on your computer.

We offer 24-hour online banking. This means you can do most of the stuff you normally come to the credit union for from the comfort of your home.

Log on to our secure site; you might be surprised by the services we offer online. And for more information about how to get service in your slippers, contact the credit union.

**Kekaha Federal Credit Union**  
**337-1433**  
**[www.kekahafcu.org](http://www.kekahafcu.org)**

# Life after high school: College Prep 101

**M**OVING TO COLLEGE is a big step—are you prepared for it? How you manage your college life will determine the success you are most likely to achieve. Use this checklist to help you prepare for your big move to college.

- **Keep up those studies.** College can be a lot of fun, but it also requires many hours in the library keeping up with assignments and exams.
- **Develop good study skills.** Keeping up with high-school courses was nothing compared with what you'll need to do in college. You will cover five to

## Phishing

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The Federal Trade Commission recommends the following tips to help you avoid getting hooked:

1. If you get a pop-up or e-mail message requesting personal or financial information, never reply or click on the link in the message. **Kekaha FCU will NEVER request confidential account information from its members through email.**
2. Be cautious about opening attachments or downloading files from e-mail messages.
3. Never send personal information via e-mail. Look for a closed padlock at the bottom of your browser window, or a URL that begins with "https"—the "s" stands for secure. Beware, however, that some phishers even forge these security icons.
4. Review statements for accuracy as you receive them. If they're late, call the company to confirm billing address and balance.
5. Use and update antivirus software. Run a firewall, particularly if you have a broadband connection. Take advantage of free software "patches."
6. Report suspicious activity to the FTC at [www.ftc.gov](http://www.ftc.gov), and forward suspicious messages to [spam@uce.gov](mailto:spam@uce.gov).

10 times more reading material and assignments. To help develop your study skills, visit your college or university's learning center, or try surfing the Web for helpful study tips. Visit [howtostudy.com](http://howtostudy.com) for some great ideas for fine-tuning your study skills.

- **Get ready for the move.** When you go to college, you will be setting up your own little home-away-from-home. You will be surprised by what you will need. Visit [collegeboard.com/student/plan/college-success/9763.html](http://collegeboard.com/student/plan/college-success/9763.html) to get some good ideas about what you'll need for college.
- **Maintain good credit management.** Each year, thousands of college students get sucked into signing up for credit card offers—beware! Filling out credit card applications just for the free T-shirt is not a good idea. If those applications are approved,

those credit cards show up on your credit report.

Think about your summer plans. Most college students plan to work during the summer months. Once you've decided on a major, think about getting an internship in the field.

Managing your finances while in college is a life lesson in itself! For all your financial needs, call Kekaha FCU at 337-1433.



**JUMBO RATE**

**5.40% APY\***  
**\$50,000 or more deposit**  
**One-year term**  
Annual Percentage Yield

**Don't Let This Deal Get Away!**

\*Annual Percentage Yield as of 6/20/06, 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.

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

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President



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\*Promotion valid from 4/1/06 - 9/30/06. \$15 will be awarded in the form of a ShareBucks certificate which must be deposited into your participating credit union share or share draft account for immediate credit. Limit one \$15 ShareBucks certificate quote incentive per household, per year. Some restrictions apply. Offer subject to change without notice.

## Kekaha Federal Credit Union Privacy Notice

Kekaha FCU is committed to providing financial products and services to meet your needs. You can be confident that your financial privacy is a priority of this credit union. We are required by law to give you this privacy notice to explain how we collect, use, and safeguard your personal financial information. If you have any questions, please call us at 337-1433.

We collect nonpublic personal information about you from the following sources:

- Application forms we receive from you
- Your transactions with us and others
- Consumer reporting agencies
- Current or past employers or other financial institutions where you conduct transactions

We may disclose all the information we collect, as described previously and as permitted by law, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. To protect our members' privacy, we only work with companies that agree to maintain strong confidentiality protections and limit the use of information we provide. We do not permit these

companies to sell the member information we provide to other third parties.

In order to conduct the business of the credit union, we may also disclose nonpublic personal information about you under other circumstances as permitted or required by law. These disclosures typically include information to process transactions on your behalf, conduct the operations of our credit union, follow your instructions as you authorize, or protect the security of our financial records.

If you decide to terminate your membership with Kekaha FCU, we will not share information we collected about you except as permitted or required by law.

We restrict access to nonpublic personal information about you to those employees who have a specific business purpose in utilizing your data. Our employees are trained in the importance of maintaining confidentiality and member privacy. We maintain physical, electronic, and procedural safeguards that comply with federal regulations and leading industry practices to safeguard your nonpublic personal information.

Members can help by following these simple guidelines:

- Protect your account numbers, card numbers, PINs (personal ID numbers) and passwords. Never keep your PIN with your debit or credit cards which can provide free access to your accounts if lost or stolen.
- Use caution when disclosing your account numbers, social security numbers, etc. to other persons. If someone calls you saying they represent the credit union and asks for these numbers, beware! Official credit union staff have access to this information and will not need to ask for it.
- Keep your information with us current. It is important that we have current information on how to reach you. If we detect potentially fraudulent or unauthorized activity or use of an account, we will attempt to contact you immediately. If your address or phone number changes, please let us know.

If you have questions concerning this privacy notice, please call us at 337-1433. We are here to serve you.