

Ku-i Ka Lono

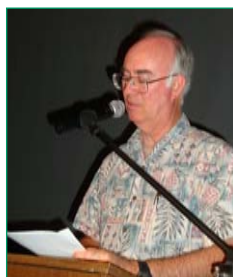
The Quarterly Member Newsletter of Kekaha Federal Credit Union
April 2010

ANNUAL MEETING

February 12, 2010
Waimea Theater



Masa Emoto & Owen Moe. Masa is welcoming the crowd before he gives the invocation.



Owen Moe conducting Annual mtg.



Scot & Owen talking before the annual mtg.



Masa Emoto giving the invocation.



Scot talking to Kay Koike before annual mtg.



Byran Hahn-Morin (lucky number winner - \$50 gift card).



Grace Acain with Tiana Acain (granddaughter).



Magua Hesapene (lucky number winner - movie tickets).



Diane Apo checking in members.



Mark Nellis and daughter Tiana (lucky number winner - \$25 gift card).



Jan Takeuchi being served.



LTR- Gerald Shimatsu, Tamoe Shimatsu (lucky number winner), and Sadao Inazu.



Food line



Briana Apo (grand prize winner) with dad Clint Apo.



Maia Guirao (lucky number winner - movie tickets).

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Visit Our Web site
www.kekahafcu.org

Deadline to apply for college scholarship nears

IF YOU ARE a qualified graduating high school senior and a member or within the field of membership of Kekaha FCU, scholarship money is available to you! But you need to get your application in right away.

Applications are available at Kekaha FCU and Waimea High School. The deadline to deliver or mail it to Kekaha FCU is April 30, 2010.

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.

Selection will be announced by May 14, 2010.

Saving for School the Coverdell Way

THE COVERDELL EDUCATION Savings Account is a tax-privileged savings vehicle that replaces and improves upon the old Education IRA (individual retirement account).

Contributions are limited to \$2,000 a year per beneficiary, which amounts to about \$166 a month. Bit by bit, those savings can accumulate into a tidy sum. For most families, \$2,000 a year is enough...if you start saving early.

The chief feature of the Coverdell account is that it shelters investment growth from the tax collector. That means that savings set aside in such accounts--plus the earnings they make--are fully available for qualified school bills.

Besides protecting earnings from taxes, Coverdell accounts offer investment flexibility, transferability, and tax-free withdrawals to cover education costs such as books, tuition, and room and board. And they're not just for college kids.

You can create a Coverdell account for any school, even grade school and high school. They're also available for students with special needs, regardless of their age

Coverdell contributions must stop when the child reaches 18, and the account must be spent on schooling by the time the beneficiary reaches 30, unless the student has special needs. Otherwise, the earnings could be subject to income taxes as well as a 10% penalty.

However, unused portions of the Coverdell account may be transferred to a relative--a sibling, niece, nephew, even cousin--to keep the education savings in the family and avoid tax penalties.

Q & A: Should College Savings Be in My Name?

Q: I want to establish a college savings account for my son. Should I start it in my name or in his? I've heard there are tax savings when the account is in the child's name.

A: You'll want to use your name. This little detail can greatly affect your child's financial aid eligibility. Here's why:

* When determining financial aid eligibility, the assets of the child typically are assessed at a rate of 35% for public schools (25% for private), as opposed to a current maximum assessment rate of 5.7% for the assets of the parent. These rates apply to the total value of the

asset, including both principal and accumulated interest. This rate difference outweighs the typical 13% tax savings resulting from the child's lower tax bracket (and those tax savings only are on earnings, not on principal).

* When determining need based on the assets of the parents, financial aid formulas contain an asset protection based on the age of the older parent. That protection shields some of the family's investments (typically between \$35,000 and \$70,000), in addition to any money in a qualified retirement plan (IRA [individual retirement account] or 401(k)).

There are no asset protections in place for money in the child's name.

* The formula used by the federal government ignores the value of the family's primary residence. Note, however, that the formulas used by many schools do not ignore the value of the primary residence.

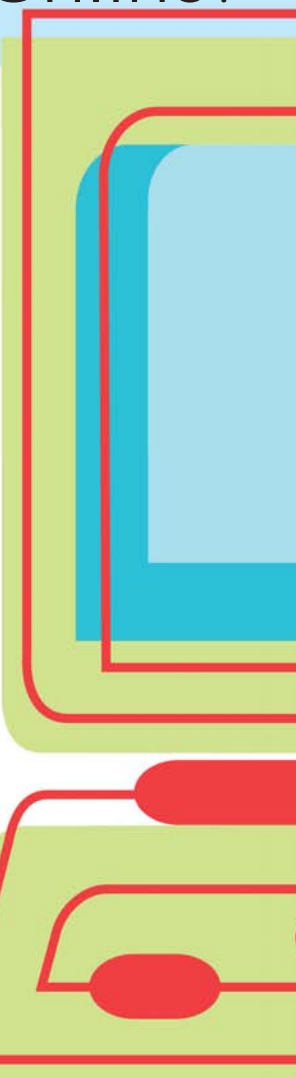
To learn how specific college savings accounts are treated by financial aid formulas, visit the SmartMoney College-Savings Superpage at www.smartmoney.com.

Are You Being Safe Online?

Don't take chances when surfing the 'Net. Take this quick quiz to make sure you're being as safe as possible when you're online.

- 1 On your MySpace, Facebook, or other social networking profile page you include:
 - A. Your address
 - B. Your phone number
 - C. Your parents' phone number
 - D. None of the above. You're too smart. You know that kind of information can sometimes land in the hands of the wrong people.
- 2 Someone you "met" online wants to meet in person. You:
 - A. Tell him or her to go take a hike.
 - B. Tell your parents immediately.
 - C. Never make contact with that person again.
 - D. All of the above.
- 3 If you're surfing online and a Web site asks you for your parents' credit card number, you:
 - A. Leave the Web site without releasing that important information because it can be extremely harmful to your parents.
 - B. Give out your parents' credit card number. What's the worst that could happen?
 - C. Ask your parents what to do.
 - D. Both A and C
- 4 A pop-up from a company tells you to download or install some software. You:
 - A. Don't do it. Downloading unknown software from an unexpected pop-up could harm your family's privacy, and you're smarter than that.
 - B. Do it.
- 5 If you ever have a question about something you've found on the Internet, the first person you should turn to is your:
 - A. Brother or sister
 - B. Best friend
 - C. Teacher
 - D. Parent or guardian

Key: 1.D 2.D 3.D 4.A 5.C.D



TEACH

your kids to reach their

DREAMS



YOU TEACH your kids to eat right, exercise, and wear a bicycle helmet.

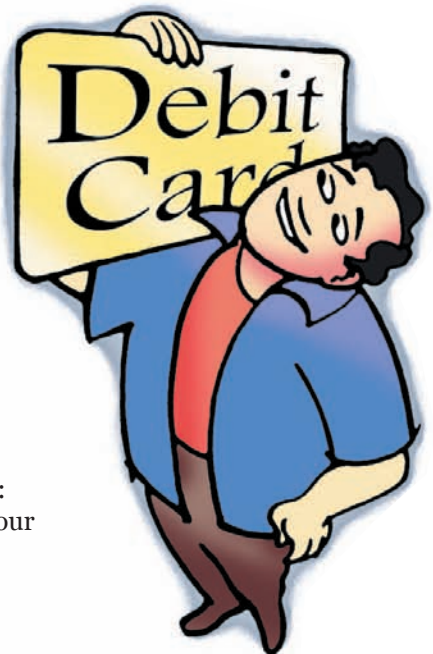
But do you teach them to save?

Saving nourishes dreams.
Saving strengthens self-discipline.
Saving protects the future.
Teach your kids to put income aside today for tomorrow's goals.
Help them grow strong and healthy with a credit union savings account.

Credit Union Debit Cards Bridge Cash and Credit Gap for Teens

Cash: Teens hate asking for it and you hate doling it out. You want your child to have access to funds--but you're not sure if your teen is responsible enough to handle a credit card. A debit card could be the answer.

UNLIKE A CREDIT CARD, which is essentially a loan to pay later, a debit card works the same as a check or cash, and deducts money from your share draft/checking account immediately. Everyone wins: Teens learn to be responsible money managers and you won't have to drain your wallet every time they need cash.



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

Scot Tsuchiyama
Manager/Treasurer

Owen Moe
President



Could you use FREE money?

HAVE YOU heard of the Earned Income Tax Credit (EITC)? It is a tax credit for people who work and are in the lower income bracket. A tax credit usually translates to \$ in your pocket and reduces the amount of taxes that you owe. Please give us a call today at (808) 337-1433 for more information.

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.