

Membership Matters

KAUAI COMMUNITY FEDERAL CREDIT UNION

JANUARY 2017

Get Ready for KCFCU's Annual Luau

Annual Meeting Tickets Go
on Sale January 23rd

Mark your calendar for our 63rd Annual Membership Meeting & Luau on Saturday, March 18th. Tickets go on sale at all KCFCU offices on Monday, January 23rd. Gather your ohana and join your credit union's staff and volunteer officials for good food, entertainment, lucky prizes and great giveaways. We look forward to seeing you!

Make a Wise Car Buy with AutoSMART

Shop for your next car from the comfort of your home with AutoSMART! This timesaving service lets you locate your next car without the hassles of driving all over town.

Set your shopping in motion by getting your loan preapproved online at www.kcfcu.org. Then go to www.cudlautosmart.com to locate your new or used car and see how much your trade-in is worth. It's the smart and easy way to shop... and buy!

AUTO SMART
INTERNATIONAL

KAUAI COMMUNITY
FEDERAL CREDIT UNION
YOUR ISLAND. YOUR FAMILY. YOUR CREDIT UNION.



Shop at King Auto Center This January

What makes the King Auto Center Sale such a BIG deal? In addition to a full month of discount pricing on select Honda and Dodge vehicles, you can take advantage of huge savings on your KCFCU auto loan.

- A full 1% rate discount on KCFCU auto loans
- Rates as low as 1.99% APR* for terms up to five years
- KCFCU staff will be at the sale to assist you Friday-Sunday, January 20-22
- Get a \$50 Gas Card when your loan is funded
- FREE oil changes and safety checks for life**

Get preapproved today! Stop by your nearest KCFCU office or apply online at www.kcfcu.org



*APR = Annual Percentage Rate. \$20,000 loan at 1.99% APR for 60 months = \$350.47 per month. Stated APR assumes excellent borrower credit history and purchase of a new or current model vehicle. A 1% loan rate discount to KCFCU's current auto loan rates will apply to all loans not eligible for the 1.99% APR. Rate is based on credit rating. Other rates and terms available. Offers only valid through January 2017. **Restrictions apply.

Member Identity Authentication & Pass Code

At KCFCU, we continue to strengthen member authentication and validation methods to help keep your accounts and personal information safe and secure. We authenticate every member prior to executing a request for account information.

Now, when you call the credit union, you will notice an enhanced authentication process that may require you to answer a series of Security Questions and/or provide your security pass code. These enhanced member authentication and validation processes are an important part of our overall account security measures. If you have any questions about Identity Theft Prevention or general inquiries about the latest telephone or email scams, please do not hesitate to contact us at 808.245.6791.



New Year, New Leadership, Bright Future!

By Tess Shimabukuro, President/CEO

Let's Work Together to Make 2017 a Rewarding New Year

As your new President/CEO at KCFCU, I'm excited and honored for the opportunity to serve you, our valued members on Kauai and Niihau. With many years of experience as KCFCU's Executive Vice President and over 31 years of experience working closely with the entire leadership team, I appreciate your confidence in me as we work together to lead KCFCU into a future of continued growth, financial soundness and service excellence.

Thanks to the visionary leadership of our long-time CEO, Mel Chiba, KCFCU is poised to continue a tradition of great service to our members and community. We all wish Mel a long, healthy, happy retirement! I'm looking forward to working with all of you—staff, volunteer officials, members and our community—to make 2017 a happy, successful and rewarding New Year.

Throughout 2016, KCFCU continued to shine as an innovative, community credit union—through successful fundraising to benefit the American Cancer Society and Wilcox Memorial Hospital's Pediatric Services, along with the expansion of the Kapiolani Medical Center for Women & Children via the Kapiolani Children's Miracle Network. KCFCU also partnered with local high schools to create unique, on-campus credit union branches operated by students. This

unique program better connects KCFCU to the youth in our community and deepens our commitment to financial literacy.

In February of 2016, KCFCU teamed up with Kapaa High School to open the Warrior Credit Union, a mini branch of KCFCU. Since opening, Warrior Credit Union opened over 50 new accounts last spring and has processed a number of transactions.

Kauai High School joined the KCFCU on-campus branch program in September 2016 with the opening of Raider Credit Union. Raider Credit Union is open every Wednesday, engaging a growing number of students in financial literacy and money management. Anne Kane, Kauai High School Principal, called the program "another great tool for real world learning opportunities."

In addition to the new KCFCU high school branches, KCFCU operates the Bank Bus Program at Kapaa, Kilauea and Eleele Elementary Schools. Together with the schools, parents and community, we're working hard to better prepare our youth for the financial realities ahead.

The New Year has just begun, and we have so much to look forward to in 2017. Stay tuned for more news about upcoming events, auto sales, special loan rate offers and more.

Thank you all for your loyal membership and for supporting KCFCU's many community programs! I would like to extend warm wishes to you and your family for a happy, healthy and prosperous New Year.

Tax Tips for the New Year

IRA Withholding Notice

Payments from your IRA are subject to federal income tax withholding, unless you elect for no withholding. You may change your withholding election at any time prior to your receipt of a payment. To change your withholding, please contact us. Withholding from IRA payments, when combined with other withholding, may relieve you from payment of estimated income taxes. However, your withholding election

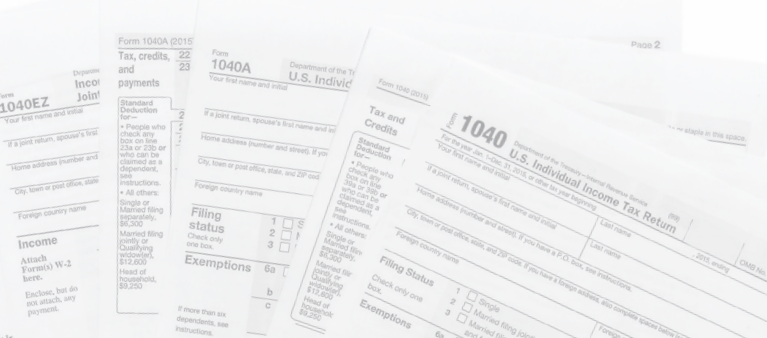
does not affect the amount of income tax you pay. You may incur penalties under the estimated tax rules, if your withholding and estimated tax payments are insufficient.

You Have Until April 18, 2017, to Make an IRA Deposit for the 2016 Tax Year

There's still time to contribute to a Traditional IRA and possibly reduce your 2016 federal income taxes, increase your tax refund or both! Stop by to open or make a deposit to your IRA today.

branch Streamlines Your Tax Return Prep

With *branch* Online, your tax forms are at your fingertips. Simply log in, print the forms from your PC and get a head start. Please ensure you provide the correct account number to your tax preparer on your tax return form, if you want your refund deposited directly into your KCFCU account.



KCFCU Behind the Scenes:

Promoting Financial Literacy and Promoting Our Staff from Within!

KCFCU is committed to promoting financial literacy by helping members be more money wise at every stage of life. For years we have offered free financial seminars on important topics, such as retirement, college planning, credit counseling, home buying and more. Now, KCFCU is partnering with local high schools to open small, student-operated credit union branches right on campus!

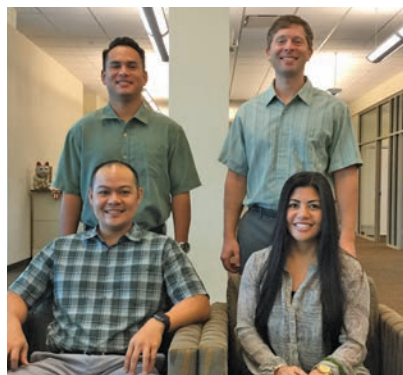
We now have two student-run KCFCU branches: Warrior Credit Union (WCU) at Kapaa High School and Raider Credit Union (RCU) at Kauai High School. With training and supervision from KCFCU and faculty advisors, both branches are making a positive impact on students—teaching them real-world business skills, along with hands-on money management habits. A third student branch, Menehune Credit Union, will open next month at Waimea High School.

KCFCU also offers a Bank Bus Program at Kapaa, Kilauea and Eleele Elementary Schools, allowing students to make deposits to their own savings accounts and watch their savings grow! These hands-on programs complement the Junior Achievement Curriculum that KCFCU volunteers are teaching students in our local classrooms.



Promotions to KCFCU Executive Staff

The recent retirement of our former CEO, Mel Chiba, and our VP of HR, Owen Nishihara, have led to promotions for KCFCU's executive team. KCFCU is proud to promote from within, as we have a very experienced and dedicated group of credit union professionals. Congratulations to these VPs on their career promotions!



- Executive Vice President Justin Ganaden, formerly our Vice President of Loans
- Vice President of Human Resources Kaleo Perez Jr., formerly the Supervisor at Kapaa Office
- Vice President of Loans Nikki Ige, formerly Vice President of Risk Management
- Vice President of Risk Management John Sean Kaley, formerly the Supervisor at Kukui Grove West Office

A Major Milestone: Our 100,000th Member Account!

KCFCU recently reached a major milestone, opening an account for our 100,000th member. The account was opened on behalf of a new youth member, five-year-old Alexis Nakea-Tresler from Lihue. We look forward to providing Alexis with a lifetime of credit union benefits and nurturing service—from her first savings account to her first credit card and auto loan!



Scholarship Opportunity: \$2,000 Is a BIG Help!

Deadline to Apply Is February 28th

Are you a high school senior who's heading for college this fall? Be sure to apply for KCFCU's *Your Choice* Student scholarship. We award up to five \$2,000 scholarships to qualifying high school seniors.

It's easy to apply! Visit us at www.kcfcu.org to download the Scholarship application. Applications are also available at all KCFCU offices. Deadline for applications must be postmarked and submitted by Tuesday, February 28th.



Kukui Grove West Office
 4493 Pahe'e Street
 P.O. Box 1447 • Lihue HI 96766
 Fax 808.246.0246

Lihue Office
 4434 Hardy Street • Lihue HI 96766
 Fax 808.245.7180

Waimea Office
 9936 Kaumualii Highway
 P.O. Box 284 • Waimea HI 96796
 Fax 808.338.0901

Eleele Office
 Eleele Shopping Center
 P.O. Box 148 • Eleele HI 96705
 Fax 808.335.0234

Kapaa Office
 985 Kipuni Way • Kapaa HI 96746
 Fax 808.822.0771

Call Center 808.245.6791

Website www.kcfcu.org

e-Mail info@kcfcu.org

KCFCU Scoreboard

As of October 31, 2016

Total Assets: \$451,430,923

Total Shares: \$405,070,514

Total Loans: \$237,367,377

Members: 33,521

Holidays

Martin Luther King, Jr. Day
 Monday, January 16

Presidents' Day
 Monday, February 20

Prince Kuhio Day
 Monday, March 27

Good Friday
 Friday, April 14

This credit union is federally insured by the National Credit Union Administration.



We Do Business in Accordance With the Federal Fair Housing Law and the Equal Credit Opportunity Act.

This newsletter is published quarterly for the members of Kauai Community Federal Credit Union. Information in this newsletter is subject to change. Access our Website for current rates and information. See KCFCU's Truth-in-Savings booklet for important account restrictions and conditions.

Attention: Account Number Changes for ALL Checking Accounts Opened Before February 2017

Your KCFCU Checking Account number is changing due to our growing membership. For all Direct Deposit/ACH transactions *only*, your KCFCU Checking Account number will need extra digits added to the front end of the account number to make it a ten-digit account number, starting with "101", followed by zeros. For example, if your KCFCU account number is **54321**, for the purpose of Direct Deposit/ACH, your account number becomes **1010054321**, or if your account number is 4321, your account number becomes **1010004321**.

Here's What You Need to Do:

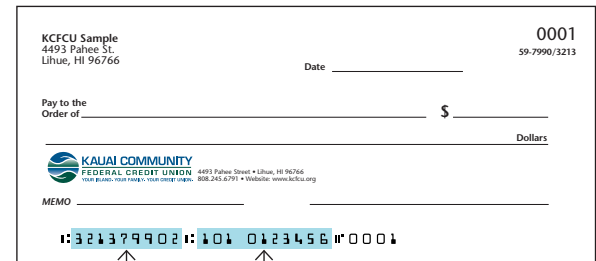
- **If you already have Direct Deposit or ACH (automatic payments) set up** from your checking account, you will need to notify the company that receives the Direct Deposit or ACH that there is a change in your account number.
- **If you don't have anything set up** at this time and would like to get started, follow the instructions below. Please see the check illustration for more information.

Use the Correct Numbers: When setting up a Direct Deposit or automatic (ACH) payments, you will need to fill out a form and provide your employer or merchant with two important numbers:

1. KCFCU's Routing Number: **321379902**
2. Your Checking Account Number (or Savings Account Number)

The routing number and your checking account number can be found at the bottom of your KCFCU checks. The nine-digit number on the lower left is the routing number; and the ten-digit number to the right is your checking account number. (Please note that your savings account number is a seven-digit number.)

For more information or assistance, please call the credit union.



Routing Number Checking Account Number

KCFCU's CFSG Offers Nationwide Pet Insurance

Nationwide® provides coverage for veterinary expense related to accidents and illnesses. Policies are available for dogs, cats, birds, reptiles and other exotic pets. Optional wellness coverage is also available for dogs and cats, providing reimbursement for the preventive care necessary to keep them healthy year after year.



Call 877.738.7874 and tell them you're a KCFCU member and mention Community Financial Services Group, LLC to receive a discount on your Pet Insurance Policy.

Visit PetsNationwide.com and enter Community Financial Services Group, LLC to enroll online. The rates given will include your group discount.