

## Ownership counts.

# Owners Count

First Quarter 2009

## President's Message.

### By Michael Asam/CEO

**Aloha.** First, I want to take this opportunity to welcome every member/owner to 2009 and offer my well wishes for a happy and prosperous new year.

Speaking of prosperity, I'd like to discuss the current situation in the country, but also comment upon the crisis as it affects all member/owners of this credit union.

It is safe to assume that most people understand and believe that the sub-prime mortgage loans and the securitization of these sub-prime mortgages were at the center of this financial crisis. But these bad loans were just part of the picture. Add rising inflation and gasoline costs as well as a weakening U.S. dollar, and the perfect stage is set for a slumping economy.

Some experts have characterized this as the worst financial crisis since the Great Depression. It certainly is more global in its impact than some of the more recent downturns. Fortunately, Congress and the Treasury Department have moved quickly and taken some huge steps to stabilize the financial marketplace, and are now directing their focus to other industries that may need financial assistance.

In Hawaii, most financial institutions avoided the sub-prime wave. Hawaii residents are also fortunate because most of the financial institutions in Hawaii are very well capitalized. Also, both the FDIC and NCUA have initiated immediate action to increase the amount of federal deposit or share insurance coverage of up to at least \$250,000. Therefore, as a depositor or shareholder in your local financial institution, you're secure in knowing more of your money is protected by the full faith and credit of the United States government.

Indirectly, your credit union has not gone untouched by this crisis. As members, we are each an integral part of the whole. So if our members are affected by this downturn, your entire credit union is also impacted. For example, if the company you work for closed, you lost your job and became unemployed. If the price for fuel got so high you couldn't afford to drive your truck, you dropped it off at the credit union. If you worked in construction, you know real estate is down and there are fewer jobs.

If you were in the visitor industry, you could have been laid off or received reduced work hours. Any of these events is very real, creating financial hardship for you and your family.

There's a domino effect. Unemployment leads to missed loan payments, higher credit card balances, draws against your home equity loan or line-of-credit account, reduced savings, no payroll deduction coming into the credit union or higher fees and charges levied for bounced or NSF checks. The good news is, we are equipped to help. We have some experience in working with members in all kinds of economic conditions and have weathered many storms in our 70-plus-year history. So call or come in and talk to our helpful and friendly credit union staff. I'm certain we can assist you in avoiding some of the problems I've mentioned. Let's all stay positive and work toward making the year a good one — together!

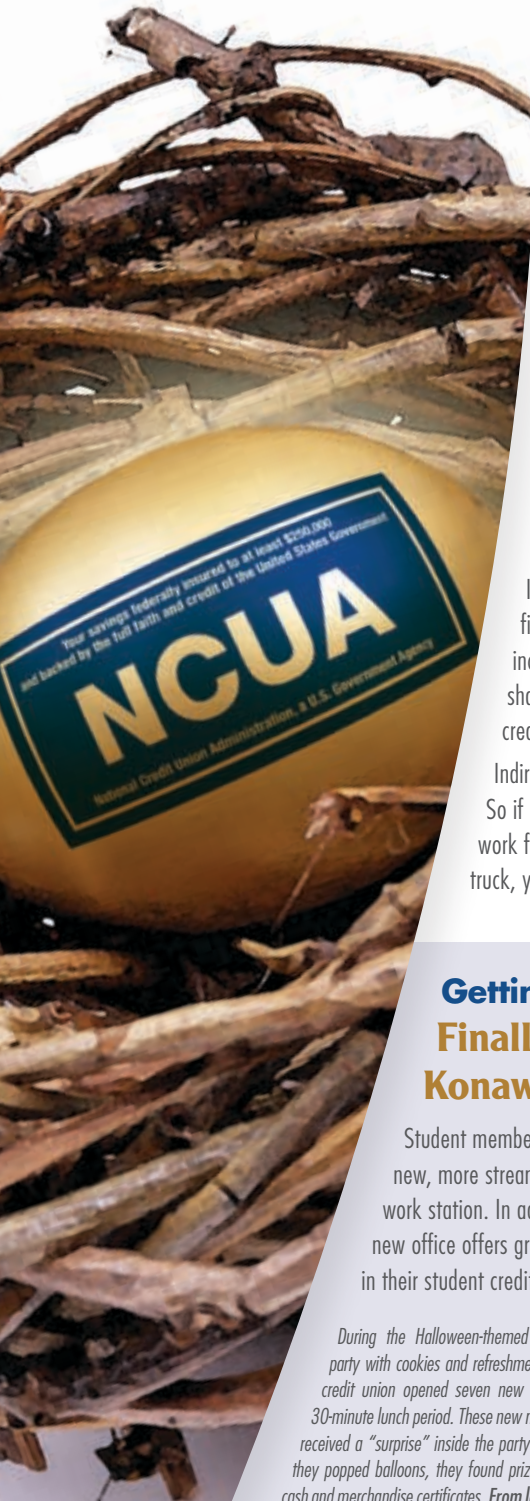


## Getting real.

### Finally, a "real" office for Konawaena Student Credit Union!

Student member/owners at Konawaena High School now have access to new, more streamlined office quarters at the school, featuring a brand new work station. In addition to offering a more professional-looking setting, the new office offers greater security for transactions while giving students pride in their student credit union.

*During the Halloween-themed grand opening party with cookies and refreshments, the student credit union opened seven new accounts in the 30-minute lunch period. These new member/owners received a "surprise" inside the party balloons—when they popped balloons, they found prizes such as \$10 cash and merchandise certificates. From left to right: SCU board members Alyssa Inaba and Genevieve Krier.*



## Ask the expert:

By **Steven R. Fassbender**  
**CFP CLU CFS**  
**LPL Registered Principal**

**Q. In light of the recent tanking of investment funds, what's the prudent thing to do?**

**A.** Stay the course. Investors may be feeling anxious amid increasing signs the economy is in or near a recession, but a look at the past 10 economic downturns suggests there is reason to stay the course.

A study by Ned Davis Research shows that the S&P 500 Composite Index has tended to bounce back quickly after bottoming out during the past 10 recessions. The index generated a 24% mean return six months after bottoming and 32% a year later. No one can predict a market bottom, but investors who maintained a long-term perspective and held onto their investments stood to benefit.

Investors who sold stock and/or mutual funds to avoid the pain of a recession and reinvested later could have missed most of the subsequent recovery. The S&P 500 rose more than 15% on average three months after recession low points. Although they feel like turbulent times, recessions can represent a buying opportunity for investors who stick to a program of investing regularly.

For more information or to schedule your complimentary appointment, call Steve at 930-7773 or email at [steven.fassbender@lpl.com](mailto:steven.fassbender@lpl.com).

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Not NCUA insured  
No Credit Union Guarantee  
May Lose Value

\* Past performance is no guarantee of future results. The market for all securities is subject to fluctuation such that upon sale an investor may lose principal.

## Community Corner:

### Fundraising efforts that we're proud to be a part of.

At Hawaii Community Federal Credit Union, we believe in supporting our fellow Hawaii Island residents through numerous social responsibility efforts. This year, we boosted the donation totals by volunteering to downsize the annual employee holiday party, instead, donating what we could to worthy charities. We also felt it was important to simplify our celebration and focus on the fellowship of the season.

#### Market Days 2008



**Market Days 2008.** Even in a most challenging economy, credit union member/owners still came through for our community to help raise a total of \$17,000. Held on International Credit Union Day at all branches, our Market Days celebrate this day to commemorate the credit union difference the world over. Homegrown vegetables, baked goods and crafts of all kinds for sale plus refreshments and camaraderie make Market Days a favorite of members. Proceeds of Market Days benefit The Food Basket, a local charity. Congratulations and mahalo to everyone who contributed to making Market Days 2008 a big success, exceeding all expectations.

**Hawaii Island United Way.** Hawaii Community Federal Credit Union pledged and donated a total of \$20,000 to Hawaii Island United Way, handily exceeding all expectations. Recently, representatives from two of HIUW's agencies, The Bridge House and ARC of Kona spoke to staff at all branches about how HIUW funding helps them provide much-needed services to the community.

**The Food Basket.** The demands of hungry families in our community continue to grow at alarming rates. That's one reason we were so pleased to present The Food Basket with a check for \$17,000. You can continue to help this very worthy organization by bringing in your non-perishable food donations to any branch of the credit union.

*From top to bottom: Market Days at all the branches. Kaloko, Kailua, Kohala and Kealahou staff and member/owners celebrate with food and aloha. Checks were presented by Hawaii Community Federal Credit Union for \$20,000 to Hawaii Island United Way, and \$17,000 to The Food Basket.*

#### Hawaii Island United Way



#### The Food Basket



## Look what's coming down Ali'i Drive! Everyone loves a parade.

### 2008 Kona Coffee Cultural Grand Parade sponsored by Kamehameha Schools

Hawaii Community Federal Credit Union is a longtime sponsor of this fun and exciting event. Our Marketing Department team of Patty Okahara, Nellie Medeiros, David Miyashita and Kenneth Shaw co-chaired the Kona Coffee Cultural Grand Parade this year, volunteering long hours to help make it happen with style. Supporting this year's theme of "Tradition, Culture & Kona," the credit union entered an equestrian unit

representing the different cultures here that have been a part of founding the Kona coffee industry. Crowds also cheered floats, marching bands, community groups and the appearance of the newly crowned Miss Kona Coffee and her court. Because our credit union was founded by 10 Kona coffee farmers in 1936, we support the festival every year to honor the heritage of our Kona coffee roots.

## We can help:

### Let's get educated on the ways to finance higher education.

Textbooks, computers, room and board, transportation—not to mention tuition and registration fees. These are just a few of the many expenses that challenge parents of students who want to attend college. Here's an estimate of what you might expect to pay this year for a single year of college.

#### Average annual college tuition and fees\*

Public Two-Year	\$2,191.00
Public Four-Year	\$5,491.00
Private Four-Year	\$21,235.00

Because financing college is one of the top needs of our members, we have several ways to help.

**2009 Stafford loans for students.** Federal student loans through your credit union are the most affordable loans available. Stafford loans offer low interest rates, deferred payments until after graduation, and lots of repayment choices. Graduate and undergraduate loans are available.

**2009 PLUS loans for parents.** PLUS loans are low-interest loans guaranteed by the U.S. government. Parents of eligible college, university or trade school students can take out a PLUS loan to pay for authorized education expenses, including tuition, fees, room and board, supplies and equipment (even a personal computer!) as well as transportation/commuting costs. You can qualify for a PLUS loan regardless of your income level.

**Consolidation loans & home equity lines of credit.** Also available to members looking for ways to finance college. Loan applications are available at all branches.

### Taking one for the team: Pie-throwing fundraiser at Kealakehe Student Credit Union.

At lunch recess on August 29, the pies were flying! Students and faculty at Kealakehe High School chalked up \$1.00 for each pie thrown, earning \$70 total for the Hawaii Food Basket. Pie-throwing targets included SCU President Parker Rogers, Sam Kekuaokalani, boys basketball/weight training coach; and Danny Garcia, Kealakehe High School vice principal. The event succeeded in raising awareness of the student credit union on the Kealakehe campus, while assisting a deserving community charity. Not to mention getting a little dessert in the middle of the day!



Troy Gomes, son of Christine Gomes, loan adjustment clerk, is the Page for the unit.



Vice President, Informations Systems Linda Meyer represents the Spaniard who brought the first coffee to Hawaii.



Nicole Marks, Visa coordinator, represents the Hawaiian influence in the Kona coffee industry.



Executive VP Support Services Dean Uemura and VP of Support Services Arnold Kanai enjoyed participating in the equestrian unit.

#### Hawaii Community Federal Credit Union 2009 \$12,500 College Scholarship program.

We offer five \$2500 scholarships sponsored by HCFCU and named after volunteers who have been important contributors to Hawaii Community Federal Credit Union.

- Peter Hirata Scholarship
- Albert Akana Scholarship
- Katsumasa Tomita Scholarship
- Frank Ishii Scholarship
- John Y. Iwane Scholarship (The recipient must be planning to study in an agriculture-related field.)

Any high school senior attending a school on the Island of Hawaii is eligible to apply. Deadline is April 11, 2009. Applications are available online, at all high school career centers or counselors' offices, and at any of our branches, including the SCU offices. Find out more information on our Web site at [www.hicommfcu.com](http://www.hicommfcu.com).

\*Source: <http://www.collegeanswer.com>



### The lunch bunch: 72nd Annual Membership Meeting & Luncheon Waikoloa Beach Marriott Resort & Spa

- Saturday, May 9, 2009
- Great food and entertainment
- Cash prizes and giveaways

#### Annual Membership Meeting Lunch Menu Salads

Tossed Island Baby Greens with choice of dressings  
Japanese Somen Salad  
Hawaiian-Style Potato and Macaroni Salad  
Marinated Cucumber and Bay Shrimp Salad

#### Entrees

Cantonese Oyster Chicken with Oriental Vegetable  
Korean-Style Kal-Bi Ribs with Pineapple Relish  
Crystal Shrimp with Asian Vegetables

#### Accompaniments

Chinese Fried Rice  
Wok-Fried Tofu and Seasonal Garden Fresh Vegetables  
Fresh Baked Rolls and Sweet Butter

#### Desserts

Chinese Fortune Cookies  
Coconut Macaroons  
Mini Macadamia and Chocolate Tarts  
Kona-Blend Coffee, Decaffeinated Coffee,  
Selection of Gourmet Teas and  
Iced Tea with Lemon Wedges

#### Price

Adults	\$20
Children, ages 5-12	\$10
Children (4 and under)	Free

Tickets available February 1. Buy your tickets at any branch. Last year's event was completely sold out and there will be limited seating, so please plan early to assure best seating!

### Kailua-Kona Branch

75-159 Hualalai Road, Kailua-Kona, HI 96740

### Kaloko Branch

81-5611 Olowalu Street, Kailua-Kona, HI 96740

### Kealahou Branch

81-6631 Mamalahou Hwy, Kealahou, HI 96750

### Kohala Branch

P.O. Box 39, 54-396 Union Mill Rd., Kapaa, HI 96755

### Honoka`a Branch

45-690 Pakalana St., Suite A, Honoka`a, HI 96727

### Hawaii Island

Phone: 930.7700

CALL24 Telephone Teller: 329.9440

TTY: 329.8192

### Off-Island Toll-Free

Phone: 1.800.514.2328

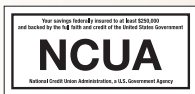
CALL24 Telephone Teller: 1.800.303.9440

### Lost/Stolen Visa

808.930.7700

After hours: 800.991.4965

[www.hicommfcu.com](http://www.hicommfcu.com)



## Anytime Advisor Credit Management Coach: Get answers online, no matter what the time!

**Got debts?** We have ways to help you get rid of that four-letter word—debt. Or at least learn how to minimize it. Use our online Anytime Advisor! It's the free, easy, interactive way to get all the answers to your financial questions about debt. The Credit Management Coach will help you set goals, reduce spending, avoid those impulse purchases, improve your credit rating and much more.

### For example:

- A tally sheet to record your expenditures and identify unnecessary costs;
- A goals worksheet to list and rank your goals, then identify how much to save per week to reach those goals;
- A calculator to help you determine your net worth;
- A credit card comparison worksheet to help you compare features and benefits and find the right credit card for you;
- Interactive quizzes to help you practice your skills along the way; and
- Resources for credit counseling.

To take this tutorial, click on Credit Management Coach at [https://www.hicommfcu.com/services/anytime\\_adviser.html](https://www.hicommfcu.com/services/anytime_adviser.html). Or click on any of the Anytime Advisor Coaches, accept the external links disclaimer and a tutorial will automatically open and run on the subject of your choice.

### Did you know?

In 1955, we opened our first office building in Kealahou. At that time, we were not only the largest credit union in the former territory of Hawaii, but the first to have its own office building. Constructed of lava rock, it cost \$30,000 and housed four employees.

## Community Calendar

**Thursday, January 1**  
**New Year's Day**  
Offices Closed

**Monday, January 19**  
**Dr. Martin Luther King, Jr. Day**  
Offices Closed

**Monday, February 16**  
**Presidents' Day**  
Offices Closed

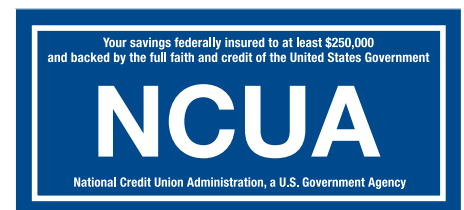
**Saturday, April 4**  
**8th Annual Kona Chocolate Festival**  
**Sheraton Keauhou Bay Resort & Spa**  
Info: 987-8722

## Reminder: Your savings are NCUA insured to \$250,000.

The counterpart to the bank's FDIC program, the National Credit Union Share Insurance Fund (NCUSIF), is a fund maintained by the U.S. Treasury. It is administered by the National Credit Union Administration, an agency of the federal government. This means your savings in your credit union are federally insured up to at least \$250,000. This includes:

- Share savings
- Share draft/checking
- Money Manager account
- Share certificate (credit union equivalent of a CD)
- Trust fund and retirement accounts

Please note that funds in a federally insured credit union can be insured to a level much higher than \$250,000, depending on how you establish your accounts. (Ask at any branch for more information.)



Times may be a little tough right now, but rest assured, your money is safe with us. After all, we've had a lot of practice with hard times. Your credit union was founded in Depression-era 1936, surviving with strength. And that's why Hawaii Community Federal Credit Union — backed by the NCUA — is the safest place for your money.

## Red-Flag Identity Theft Protection measures begin.

For your protection, and due to our need to comply with federal guidelines, please be prepared to:

- Provide photo ID for all in-branch transactions
- Create passwords on accounts
- Provide verbal proof of ID for all phone-in transactions

**Remember:** Review your statements carefully (or online where real-time transactions are visible) Notify us immediately of any unusual activity.