



**HAWAII
STATE**

FEDERAL CREDIT UNION

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credit LINES

January 2019 • Volume 21 • Number 1

SAVE THE DATE!

Hawaii State FCU 82nd Annual Meeting*

Saturday, March 30 at 10 a.m.

Japanese Cultural Center of Hawaii
Manoa Grand Ballroom

Registration for the Hawaii State FCU business meeting will begin at 9 a.m. with the meeting promptly following at 10 a.m.

Agenda items include introduction of the 2018 Board of Directors and Supervisory Committee, president's message, adoption of standing rules, Nominations Committee report, 2019 election results and a member forum.

Light refreshments will be served. There is no charge to attend the members-only Annual Meeting. If you plan to attend, we strongly recommend you register at www.HawaiiStateFCU.com/events.

*Annual Meeting is for MEMBERS ONLY. Please bring a government issued ID (Driver's License, State ID, Passport or Military ID).

Events & Branch Holiday Schedule

For more information on our free seminars and events, visit www.HawaiiStateFCU.com/events

Jan. 1 Holiday Closure: New Year's Day

Jan. 21 Holiday Closure: Martin Luther King Jr. Day

Discounted 'Lego 2' Tickets on Sale for First Member Movie Day of 2019

We're continuing our popular Family Event Series in 2019, and will kick off the year taking you on an epic building journey with a private screening of "The Lego Movie 2."

February 9, 2019 at 9:30 a.m.

Check-in begins at 8:30 a.m.

Consolidated Theatres Koko Marina 8

Discounted tickets are now available:

\$5 adults / \$3 children* for Members

\$6 adults / \$3 children* for Non-members

*Children 2 and under are free

Limit is 10 tickets per member

Tickets are non-refundable

Purchase tickets at

www.HawaiiStateFCU.com/events



Attend a Complimentary Seminar After Our Annual Meeting

Following our Annual Meeting on March 30, we are offering two complimentary seminars. Both seminars will start promptly at 11:30 a.m. and you do not need to attend the Annual Meeting to attend either seminar.



Retire on Purpose: Many people experience a "sugar rush" while enjoying their first few months of newfound freedom in retirement only to experience an emotional "crash" as time wears on. Learn how to create a more meaningful retirement and why it's important to have a solid financial plan. Seminar will be conducted by John Melchor, CFP®, CFS®* with Jackson National Life Distributors.



Understanding Medicare: Whether you're new to Medicare or retiring soon, get answers to your Medicare questions. Learn about Original Medicare and other health care options; Medicare Parts A, B, C and D; costs and deadlines. Seminar will be conducted by Taryn Kumamoto, a licensed independent agent with Premier Benefit Consultants, which is a Medicare insurance brokerage agency.

If you're interested in attending, please register at www.HawaiiStateFCU.com/events.

*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. The credit union has contracted with CFS to make non-deposit investment products and services available to credit union members. CFS does not provide tax advice. For specific tax advice, please consult a qualified tax professional.

2019 Board of Directors Election

As a credit union member-owner, you enjoy the privilege of electing the Board of Directors and thus participate in decisions affecting the future and direction of Hawaii State FCU. The 2019 Board of Directors election will be held from February 28 to March 24. Voting instructions will be available in February on our website.

Please see related stories (on right) for information the candidates submitted to the Nominating Committee.

Nominations by Petition Now Accepted

Hawaii State FCU is currently accepting nominations by petition to fill two positions on our Board of Directors. Nominations made by petition must be signed by a minimum of 500 Hawaii State FCU members age 16 and older as of December 31, 2018. A separate petition form must be completed and submitted to the Nominating Committee for each nomination. Along with the petition form, each nominee must submit a statement of qualifications, biographical data and a complete application packet.

To obtain additional information regarding nominations by petition, please call the credit union's Administrative Office at (808) 447-8050 or email MarilynT@hsfcu.com. The deadline for the Nominating Committee to receive the completed nominations by petition is 5 p.m. Friday, February 8, 2019.

Candidates Sought to Serve on Supervisory Committee

Hawaii State FCU is currently seeking candidates for one open seat on our Supervisory Committee. The seat carries a three-year term. By volunteering to serve on the Supervisory Committee, you have the opportunity to learn about credit union operations and take an active role in making Hawaii State FCU Hawaii's premier credit union. The Supervisory Committee is responsible for ensuring that the credit union's Board of Directors and management meet required financial reporting objectives and establish practices and procedures to safeguard members' assets.

The Supervisory Committee consists of up to five volunteers and meets on a monthly basis to review various credit union operations.

If you are interested in applying for the open position on the Supervisory Committee, please contact the credit union's Administrative Office at (808) 447-8050 or email MarilynT@hsfcu.com. Interested members must meet qualifications and submit an application no later than 5 p.m. Friday, March 1, 2019.

Hawaii State FCU Board of Directors Candidates



Owen O'Callaghan

HSFCU Experience I have been a HSFCU member over 8 years.

Education Honors Bachelor of Commerce Business Degree, with a focus in Accounting and Finance.

Work Experience Initially I had a career in Finance, working as a bond trader in Hong Kong for trading Asian Fixed Income. Then I worked in the London markets creating Structured Trades, Asset Swaps and Derivatives. For the last fourteen years I have owned and operated my own successful business here in Honolulu.

Board Qualifications For fifteen years, I have been President of the Board of Directors of our condo building's AOA. In that time I turned around a bankrupt association. I re-negotiated and refinanced all loans and converted the building from leasehold to fee simple for owners. Currently all debts are fully paid off and the association has \$238, 000 in cash and over \$330,000 in land assets on our balance sheet. As one of your Directors I could contribute solid financial skills while working together with a strong team of people. I have experience in identifying priorities and setting goals, then working as a team together to help with implementation.

Primary Focus if Elected Listen and learn. Listen and learn. Once I have a good clear understand of how the HSFCU operates, and what the membership needs are, I would like to apply my financial experience and skills to helping the management team serve and support it's members.

Personal Statement The HSFCU provides a very valuable service to it's membership. It would be an honor to be part of a team helping to improve, enhance, and build upon that. The financial environment In which we live is constantly changing and we must strive to stay on top of it, adapting and developing at the same time. Mahalo for reading and for your consideration.



The following statements were submitted by candidates to the Nominating Committee to fill two open seats on Hawaii State FCU's Board of Directors. Each position carries a three-year term and begins in March 2019. Hawaii State FCU Board members serve on a voluntary basis and are responsible for ensuring that the credit union serves the financial needs of its members. The Board works with the credit union's management team to develop quality products and services to meet this goal.



Grant Tanimoto

HSFCU Experience HSFCU Board Director 6 years (Chair-two years; Treasurer-three years; current or past service on every Board regular/special committee); HSFCU member 39 years.

Education McKinley High School; University of Hawaii at Manoa, BBA Finance; Santa Clara University Law School, JD.

Work Experience Attorney (Private practice); 31 years Hawaii State public service (Campaign Spending Commission General Counsel; Hawaii Tax Department-Acting Director, Deputy Director, Rules Officer; Deputy Attorney General; Tour-Escort; Hotel-Clerk; Truck-Driver; Luau-worker; Dishwasher, News-carrier. 2009 State Employee of the year, first runner-up.

Board Qualifications As a current Director serving members for six years, I have experience, insight, and knowledge regarding HSFCU; and a record of accomplishments (new products and services; revised strategic plan; financial literacy program; record asset, loan and member growth; increased scholarships; member and employee support). Government Affairs Vice-Chair for the trade association for Hawaii credit unions. In addition to my credit union and work experience, I have been involved with other community groups (e.g., Honolulu Neighborhood Commission Chair, Salt Lake Neighborhood Board Chair, PAL Lakeside Baseball Coordinator, Salt Lake Community Association President). These experiences provide unique qualifications that can benefit HSFCU member-owners.

Primary Focus if Elected I provide an independent perspective but continue working closely with the HSFCU ohana to lay the foundation for HSFCU to thrive financially. I understand the various roles as I served both as staff and a member of Boards and Commissions. HSFCU will remain a safe place (my pension checks are deposited at HSFCU) for our savings and continue steady and diversified growth (currently 100,000 member-owners and \$1.5 billion in assets) with innovative products and services.

Personal Statement The "people helping people" philosophy is the foundation for HSFCU, Hawaii's best credit union. I will continue working hard to ensure that HSFCU puts member-owners first and provides the best service, values, and benefits to all generations. I will continue to do what is right for member-owners.



Marion Higa

HSFCU Experience Member since the 1970s. Elected to HSFCU Board of Directors in 2016; member (2016-17) and chair of Human Resources Committee (2018); current Board vice-chair (2018).

Education McKinley High School; University of Hawaii-Manoa (B.Ed.); University of Illinois Champaign-Urbana (M.Ed.).

Work Experience 1968-70 University of Colorado secretary; 1971-2012 Hawaii Office of the Auditor assistant analyst, associate analyst, analyst, audit manager, Deputy State Auditor, State Auditor.

Board Qualifications I seek reelection to the HSFCU Board after a first term during which I believe I used my experience and skills to contribute to the credit union's notable growth. I can continue to offer my knowledge, analytical and communication skills, and personal character to the strategic work of governance, accountability, and organizational management.

Primary Focus if Elected While the policy-making role of the Board of Directors is different from the role of the credit union's administrative staff, I approach all decision making with the criterion of what would best serve members' interests in both the short and the long term. I support a broadened financial education program; we have made a good start in the last three years, but there is so much more to do to raise the financial savvy of our members and their families.

Personal Statement Serving on the HSFCU Board of Directors is my way of giving back to people who have contributed, or will contribute, to economic and social progress in Hawaii. HSFCU began as a credit union of state employees and is now virtually at the top of the list of Hawaii credit unions. In retirement, I wish to help its upward trajectory with my experience and commitment to its principles.



CENTER FOR TOMORROW'S LEADERS

Cast Your Vote Online to Support Center for Tomorrow's Leaders

For every online vote we receive in our 2019 Board of Directors election, \$5 will be donated to the nonprofit Center for Tomorrow's Leaders (CTL). All you have to do is cast your vote online, and Hawaii State FCU will donate \$5 for every vote up to \$10,000!

CTL is in the business of developing young leaders for Hawaii, working to engage, equip and empower Hawaii's youth to become tomorrow's visionary leaders. CTL currently offers weekly leadership development courses to more than 600 students in classrooms of participating schools across the state.

Hawaii State FCU has collaborated with CTL over the past year and a half by going directly into the classrooms to teach students about real-life financial topics that is not part of the school curriculum, including basic budgeting, balancing a checking account to learn about the power of saving and what harm debt can do to your credit, as well as financing higher education. These financial education seminars have helped students build strong money habits early on while avoiding making mistakes that lead to lifelong money struggles.

2019 Lowell Kalapa Scholarship Program Applications Now Accepted

Attention, students! We are now accepting applications for our 2019 Lowell Kalapa Scholarship Program.

What's Required: Official transcript, two letters of recommendations, personal essay, student aid report, list of personal achievements and community service

Who's Eligible: Any Hawaii State FCU member, or their dependent, seeking a post-high school education

Scholarship Amount: \$2,000

How to Apply: www.HawaiiStateFCU.com/scholarship

Deadline: March 31, 2019

For more information, contact Financial Educator Jennifer Russo at (808) 447-7044 or JenniferR@hsfcu.com.

A Convenient Way to Manage Your Debit Card

You can now enjoy the convenience of managing your Hawaii State FCU debit card within our HSFCU Mobile App¹ and Online Banking! The feature is called Debit Card Controls, which allows you to:

- Turn debit card ON or OFF
- Customize locations for usage
- Limit purchases by merchant type
- Restrict payment methods
- Set up transaction alerts
- Control transaction amounts

For more information, visit www.HawaiiStateFCU.com/mobile-apps.

¹ Hawaii State FCU Mobile App is free to all Hawaii State FCU members. An Internet-enabled mobile device is required to access Hawaii State FCU Mobile App. Available only for Android™, iPhone® and iPad® devices. iPhone® and iPad® are trademarks of Apple® Inc., registered in the U.S. and other countries. App Store is a service mark of Apple Inc. Android™ is a trademark of Google Inc. Standard messaging and data usage fees apply. Please contact your carrier for details.

as high as
1.50% APY*
Relationship **MAX**[™]

COMPARISON OF DEPOSIT SAVINGS ACCOUNT APY**

Relationship **MAX** as high as **1.50%** APY vs **0.14%** APY Average of other Savings Accounts

**Comparison based on the highest published savings rate paid on \$50,000 as of December 17, 2018, for the four largest banks in Hawaii.

www.HawaiiStateFCU.com/MAX

*The Annual Percentage Yield (APY) is based on an account average daily balance for the month. When a particular average daily balance range is met, the APY will apply to the full balance in that account. The 1.50% APY is based on a minimum daily balance of \$50,000. The APY may change after the account is opened. APYs are effective as of January 1, 2019, and may change at any time without notice. Fees may reduce earnings. Relationship Checking is required. Minimum opening deposit of \$2,500 is required. Certain terms and conditions apply. Must be a Hawaii resident. Membership in the credit union is required.

Our New Highest Yield Savings Account

Deposit rates are on the rise! Maximize your earning power with our highest-yield savings account especially designed for larger balances. Our new Relationship Max Share account pays a savings interest rate as high as 1.50% APY!

Interest rates have been rising nationwide and we're proud to be among the first local financial institutions to follow that move and reward our members with higher deposit rates.

Learn more about Relationship Max at: www.HawaiiStateFCU.com/MAX or contact a HSFCU employee for further information about applicable fees and terms.

Important: IRA Withholding Notice

Payments and distributions from your IRA are subject to federal income tax withholding. You have the right to elect not to have withholding apply to any payment or distribution. Your election remains effective until it is revoked. You may revoke your election at any time. 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. Penalties may be incurred under the estimated tax payment rules if the payments of estimated tax are not adequate and sufficient tax is not withheld from the payment or distribution.

Please call our Member Services Call Center at 587-2700 or toll-free at 1 (888) 586-1056 if you would like to make a change to your federal tax withholding election. Hawaii State FCU does not provide legal or tax advice. Please consult your attorney or tax advisor if you have any questions.

Board of Directors

Chairman	Ryan Morita
Vice Chairman	Marion Higa
Treasurer	Grant Tanimoto
Secretary	Terrence Aratani
Director	Rick Blangiardi
Director	Kaulana Park
Director	Monica Toguchi Ryan

Supervisory Committee

Chairman	Stanley Sawai
Secretary	Susan Ee
Member	Judy Dang
Member	Gordon Fukumoto
Member	Joshua "Josh" Strickler
President & CEO	Andrew Rosen

Member Service Call Center

Oahu:	(808) 587-2700
Toll-free:	1 (888) 586-1056
Monday to Friday:	7:30 am - 6:00 pm
Saturday:	9:00 am - 5:00 pm

For a full list of branches and hours please visit www.HawaiiStateFCU.com

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Federally insured by NCUA 