

HAWAII FIRST

Community Resource Center Third Quarter Newsletter

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HFCRC NO COST SERVICES INCLUDE

- ◆ Individual Development Accounts
- ◆ Resume' Assistance
- ◆ Financial Education
- ◆ Budgeting, Debt and Credit management
- ◆ Job Seeking Assistance
- ◆ Small Business Development
- ◆ No cost internet access
- ◆ No cost computer access
- ◆ Online schooling access
- ◆ Resource library
- ◆ Fraud prevention
- ◆ Payday loan alternatives
- ◆ Car buying solutions
- ◆ Home buyer education
- ◆ Saving plans
- ◆ Forclosure Prevention Assistance
- ◆ Community Economic Development

Debt Elimination is Sometimes Big Business for Scammers

US consumers are floundering in a sea of debt. The economic crisis, the loss of jobs, the increased cost of living and poor spending habits have combined to form a mess from which consumers find it difficult to escape from. Like an anchor, these debts are dragging consumers down into bankruptcy and financial ruin. In an attempt to save themselves, many consumers turn to debt elimination companies. These companies often offer "debt consolidation" loans or promise to work with creditors to reduce the burden of debt. However, many of these companies are not what they seem.

In many of these cases, the "company" requires consumers to pay a large, upfront fee for their services. If a loan is in question, the company may require an enormous down payment on the loan. Consumers pay these fees and put down these down payments, only to find that the promised help or that needed consolidation loan never materializes. Other companies may offer some assistance, but do not provide consumers with the information mandated by federal law, which states that anything a debt elimination company can do, the consumer can do, as well, at no charge.

While some debt counseling and debt consolidation services are quite legitimate, the Internet is rife with imposters, waiting with baited breath to part unwary consumers from their hard-earned income.

HOW DOES A CONSUMER RECOGNIZE THESE PROBLEM ENTITIES?

- ◆ A debt consolidation company should tell consumers upfront that they can do everything the company can
- ◆ A debt consolidation company should not charge hefty, upfront fees
- ◆ A debt consolidation company should never require consumers' vital financial information before sending any "free" information

In addition to these false "consolidation" companies, consumers should also be alert to the threat posed by unscrupulous offshore entities posing as lenders. These "lenders" offer substantial loans to help consumers consolidate and pay off their debts. However, in return, they demand enormous sums, upfront. Once the down payment is made, the consumer never hears from the company again—they fall off the map. Consumers around the US are urged to contact the Better Business Bureau before doing business with any debt consolidation company.

Of course, while scams and frauds do exist, consumers have many options available to them to help rectify their debt problems. The first step is to contact a debt counseling service. These services assist with teaching better spending habits and provide consumers with a roadmap to rebuilding their creditworthiness and regaining their buying power. In this modern age, a good credit rating is vital to happiness and comfort. Consumers would do well to learn these correct spending habits, in order to live within their means and utilize credit as the powerful, yet limited, tool that it is.

Other options involve consumers contacting creditors on their own. As mentioned, anything that a consolidation or "credit repair" service can do, consumers can do for themselves, at no cost. Contacting creditors and negotiating a lower interest rate may be more time consuming than other options, but often results in better payments and reduced interest fees. Creditors always prefer to receive less money than for a consumer to file bankruptcy, which often leads to no payments for the creditors. Thus, most creditors are willing to work with consumers in a reasonable manner. However, if the situation is particularly untenable, consumers are able to file bankruptcy, though this should be used only as a last resort, simply because this filing has such long-reaching ramifications, which can haunt consumers for decades to come and impinge their ability to rebuild their credit. —Jacob Hertz



HAWAII FIRST COMMUNITY RESOURCE CENTER NATIVE HAWAIIAN INDIVIDUAL DEVELOPMENT ACCOUNTS



Hawaii First Community Resource Center has designed a new matched savings program to help Native Hawaiians save money for secondary education/vocational training or start up of a small business. Participants open special savings accounts known as Individual Development Accounts (IDA) and save by making monthly deposits with HFFCU. Upon completion of the program, your savings is then matched 4 to 1, with a maximum savings of \$1,000 and a maximum match of \$4,000 giving you up to \$5,000 towards your education or small business! **\$4 FOR EVERY \$1 SAVED!** While you are saving, you will strengthen your financial knowledge, sharpen your money management skills, and repair your credit through "Money First", Hawaii First Federal Credit Union's financial education program. Individual assistance will be given throughout the duration of your savings period, provided by Hawaii First Federal Credit Union. **FOR MORE INFORMATION, CONTACT HAWAII FIRST COMMUNITY RESOURCE CENTER AT 885-6600.**

PARENTING THROUGH TOUGH FINANCIAL TIMES CAN BE THE PERFECT OPPORTUNITY TO COME CLOSER THAN EVER!

IMPROVING YOUR FAMILIES COMMUNICATION

Imagine this scene: A neighbor is at your house, visiting over a cup of tea. You start feeling irritated and pressured when you realize you are running late for an appointment. What would you say to your neighbor? Imagine the same situation, except it's your child at the breakfast table. How would it change your response? Is it possible that you might respond in a more disrespectful way?

Even when irritated or impatient, we often make the effort to listen and communicate with friends, acquaintances, and even total strangers with more respect than we give our own children. Most parents would say they value the relationships with their children yet, because of their emotional involvement, find it difficult to communicate respectfully with them at times.

Quality family relationships are becoming increasingly important in our society. With pressures and issues like drugs and sex, which children are facing today, the need for open communication and positive family relationships is vital. Today's children also face dangers not known of in the past. Children are being taught not to blindly obey an adult's requests if it could be a safety risk. As a result, adults are no longer perceived as infallible and children are encouraged to think/decide for themselves and be more assertive than children in previous generations.

Most parents want their children to feel free to talk to them, yet don't always know how they can foster this type of relationship. It helps if parents can remember that communication involves proper timing and both talking and listening. When children have a problem, their parents' efforts at "listening" often result, instead, in lecturing and offering advice. Unsolicited advice provides little opportunity for children to share their feelings and can result in children becoming reliant on others' influence. In turn, these children may develop inadequate decision-making skills as they mature.

Contemporary child-rearing authorities agree that there is a direct connection between how children feel and how they behave. Parents can help children feel encouraged by accepting their feelings. This is not to say parents have to agree with these feelings. Acceptance means a willingness to allow children to be individuals with preferences and opinions of their own.

Most parents can be very accepting about most of the feelings their children have, unless they say something that makes the parent angry, anxious, or uncomfortable. It is common for parents to then revert to old habits and become defensive. Effective listening involves a respectful attitude, concentration, eye contact, and an effort to stop and think about when to be silent and when/how to respond. A simple nod or word of acknowledgment will let a child know you are listening. When listening, avoid probing questions like "why?". These questions shift the focus from feelings to analyzing and children may interpret it as a denial of their feelings. Instead, tune into the feelings, then put the feeling word into a sentence. This will show that you understand and accept how the child feels. Children of all ages learn how to identify their feelings and solve their own problems when parents help give their feelings a name.

Sometimes children will express their negative emotions in inappropriate ways, such as tantrums or yelling. Parents can allow children to feel angry but share specifics about how they can express their anger in acceptable ways. Help them generate ideas for constructive, physical ways to express their anger (i.e., drawing or a punching bag).

When parents have negative feelings or want more cooperation from their child, they also need to respectfully express themselves. Instead of ordering and nagging, focus on the problem without blaming and give children a chance to decide for themselves what actions they need to take. An effective and simple way to get a child's attention is to say one word (i.e., "Milk!"). Just make sure your tone of voice is non-blameful and don't use children's names alone or they will associate their names with being in trouble. Another tool is to simply describe what you see (i.e., "I see dirty dishes on the kitchen table") or give information they can use for later reference (i.e., "When milk is left out it will spoil"). Writing notes and using humor or fantasy are creative and fun ways to express both positive and negative feelings.

Finally, here are some tips to encourage your efforts at improving your family's communication skills. Be authentic with your emotions and wording without blaming the other person. Have the courage to be imperfect—there are no perfect parents. New habits take at least twenty-one days of practice to establish and it is common for children to test parents during this time.

Positive, open communication is only one area that parents can address to improve their effectiveness as parents. Through reading and attending parenting classes, parents can learn how to foster loving, respectful family relationships.— *Jody Johnston Pawel*

The Hawaii First Community Resource Center (HFCRC) is a community outreach program of Hawaii First Federal Credit Union. HFCRC is a no cost resource center, providing services to any residents of the Big Island of Hawaii, focusing on Hawaii's much needed economic development, one family at a time. Whether you want to start/market a small business, learn how to balance your check book, develop a resume' or even complete financial education classes, the HFCRC is there to help you reach your goal!



HFCRC provides computer workstations, internet access, printing, copies, fax machine, a resource library, essential office supplies and of course, a helping hand. All you need is a HFCRC membership card. As easy as getting your library card! Call today for more information, and one of our HFCRC coordinators will be happy to assist you!

HAWAII FIRST COMMUNITY RESOURCE CENTER

Waimea Shopping Center
65-1158 Mamalahoa Hwy. Suite 2D
Kamuela, HI 96743
Phone: 885-6600 / Fax: 885-6604
By appointment only:
Mon, Tues, Thurs, Fri 8:30am-4:00pm
Wednesday 8:30am-6:30pm
Saturday 9:00am-noon



"Where you come First!"



Community Corner:

Got a great story to share about people helping people right here in your community?

Please submit it to our newsletter, and if selected you will receive a \$10 KTA gift certificate, as well as have your story published in next quarter's newsletter.

Deadline for submittal will be August 15th.

Please email your story, photo (If available) along with your contact information to:

mahealani@hawaiifirstfcu.com.

*Together as a community,
We can make a difference!*