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FOR IMMEDIATE RELEASE

Credit Unions Seek to Change the Face of Education Financing in America

Washington, D.C. (May 5, 2008)-- *Credit Union Student Choice*, a new collaborative credit union service organization (CUSO) founded by several of the nation's leading credit unions and CUSOs, began business today with a new private education loan solution. These credit union loans will redefine value for student borrowers and help credit unions connect with new Gen Y members. The goal is to position credit unions as leaders in education financing in the 21st century.

The ongoing credit meltdown has spilled over into the student financing market. Major financial institutions (including Bank of America) have announced they are exiting this business, leaving consumers with fewer financing options heading into the summer and fall semesters. With zero origination fees, significantly lower interest rates and flexible repayment options *Credit Union Student Choice* assists members in securing the necessary funds to meet the rising cost of higher education.

Initially conceived by the Callahan Credit Union Financial Services Limited Partnership (CUFSLP), *Credit Union Student Choice* combines balance sheet lending capability with low cost service providers to the credit union industry. The credit unions founders include:

- **Affinity Plus Federal Credit Union** (\$1.2B - Saint Paul, MN);
- **Digital Federal Credit Union** (\$3.9B, Marlborough, MA);
- **NASA Federal Credit Union** (\$890M, Bowie, MD);
- **NuUnion Credit Union** (\$800M, Lansing, MI);
- **San Antonio Federal Credit Union** (\$2.5B, San Antonio, TX);
- **Star One Credit Union** (\$3.7B, Sunnyvale, CA);
- **Wright-Patt Credit Union** (\$1.3B - Fairborn, OH);

Affinity Plus, NuUnion, and Wright-Patt credit unions went live with the solution today. The other four founding credit unions will also be live in May, followed by a second wave of credit unions launching in June. These will be announced at a future date.

Credit Union Student Choice business partners, each providing key operational roles for the CUSO, include some of the credit union industry's most prominent organizations. The collaborative network includes: **CUFSLP, Callahan & Associates, PSCU Financial Services, Digital Dialogue, Credit Union Direct Lending (CUDL), CU*Answers, and L9.com.** By using existing providers within the credit union system, the new CUSO is entering the market with a truly low cost, full 24x7 support system from experienced service firms.

Serving Gen Y members is a major focus of this initiative. Last year, undergraduate students received 49% of their funding in the form of loans, including alternative non-federal loans¹. For many this transaction is the most important financial service at this stage of their life. Most credit unions are seeking ways to engage this next generation of credit union members.

“This is an enormous opportunity for every credit union. This initiative shows how cooperatives can meet a critical public need by serving their members and college students in a time of extreme market stress.” said Jon Jeffreys, President of the Credit Union Student Choice CUSO. “Access to higher education is a key goal for every generation. Forming meaningful relationships with students is essential to the future of credit unions.”

The *Credit Union Student Choice* solution enables credit unions of all asset sizes and focuses to make loans by managing most of the challenges and risks commonly associated with student lending. “This is not a referral program.” says Mr. Jeffreys. “We believe credit unions should retain the full relationship opportunities these loans offer. These members are the future of our industry. These loans will clearly show the superior value credit unions provide. The result we hope will be loyalty for life.”

To learn more about *Credit Union Student Choice* loans or find out how your credit union can participate, contact Jon Jeffreys (jjeffreys@studentchoice.org – 800-446-7453) or Scott Patterson (spatterson@studentchoice.org).

1. Source: The College Board, Trends in Student Aid 2007

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