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In Just 30 Days New CUSO Approves \$1.5 Million in Private Student Loans

Washington, D.C. (June 4, 2008)—Since first launching on May 5, the *Credit Union Student Choice* network has already approved more than \$1.5 million in private student loans. The seven credit unions currently live on the system are providing their members and communities with cost-effective college financing during a time of critical need, filling the void as major student lenders are exiting the market en masse. Those credit unions include: Affinity Plus FCU, Digital FCU, NASA FCU, NuUnion FCU, Northwest FCU, Star One CU, and Wright-Patt CU.

According to Jon Jeffreys, CEO of Credit Union Student Choice, the reaction from members and potential members has been extremely positive. “We started to see applications flow in immediately and they haven't stopped,” said Jeffreys. “In fact, the volume has picked up significantly in the last week alone as members are becoming aware of their credit union’s new solution. Interestingly, some of our first loans were actually from credit union employees who’d heard about the new loan product and were sold on its benefits before mass marketing had even begun to the larger membership.”

Jeffreys also points out that loan volume has been strong in spite of the fact that most of the launched credit unions have little background in student lending. “Of the credit unions currently active, most had no prior experience in student lending,” said Jeffreys. “It shows the tremendous need that exists now, the affinity that consumers have in borrowing from a strong, local lender, and the value credit unions can begin deliver with this product as members become aware.”

The rising cost of college education has made paying for college a serious challenge for millions of American families. As a result, the private student loan market has grown over 450% in the past seven years alone. That growth curve is projected to steepen in coming years as the costs of attendance continue to increase at a dramatic rate for both public and private schools. Credit unions, as not-for-profit balance-sheet lenders with a unique ability to collaborate, bring unique advantages to this market that other lenders cannot.

Credit Union Student Choice, a new CUSO founded by a group of the nation’s leading credit unions, helps members secure funds to meet the rising cost of higher education and features zero origination fees, significantly lower interest rates, in-school deferred payment, co-signer release, and a graduated repayment option. The unique product is structured as a line of credit, which

allows students to make multiple draws over the course of their entire college career after completing just one simple application.

The *Credit Union Student Choice* network enables credit unions to offer their own private student loan program without referring the economic and relationship values of these loans to 3rd parties. The program leverages best of breed partners to handle call center operations, automated credit decisioning, loan servicing and insurance, and fully co-branded websites for each participating credit union. Service partners include the Callahan Credit Union Financial Services Limited Partnership CUSO, Callahan & Associates, PSCU Financial Services, Digital Dialogue, L9.com, Credit Union Direct Lending (CUDL), CU*Answers, as well as experienced student loan servicers.

Credit Union Student Choice is a credit union service organization (CUSO) founded in 2008 by several of the nation's leading credit unions and CUSOs. *Credit Union Student Choice* positions credit unions as leaders in education financing in the 21st century by redefining value for student borrowers and helping credit unions connect with new Gen Y members. The *Credit Union Student Choice* network enables credit unions of all asset sizes and fields of membership to make private student loans that may be held on their own balance sheet to recognize the long-term economic return of the loan relationship versus a one-time referral fee. The CUSO helps credit unions by managing many of the challenges and risks commonly associated with student lending. To learn more or find out how your credit union can participate, call 800-446-7453 and ask for a Credit Union Student Choice representative.