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Addison Avenue FCU and HawaiiUSA FCU Sign On with *Credit Union Student Choice*

Washington, D.C. (October 31, 2008)—*Credit Union Student Choice*, the credit union service organization that launched in May 2008, announced that Addison Avenue FCU (\$2B in assets) and HawaiiUSA FCU (\$975M in assets) have signed on to offer the CUSOs private student lending solution. The two credit unions will join 18 others who have already partnered with *Student Choice*.

“We’re thrilled to bring two more dynamic credit unions on board in Addison Avenue and HawaiiUSA,” said Jon Jeffreys, President of *Credit Union Student Choice*. “In light of the ongoing market turmoil and resulting troubles in the student lending industry, it’s fantastic to be in a position to help credit unions enter this business and deliver tremendous value to students and families at a time of critical need. This is just another great example of the power of the cooperative movement, whereby credit unions are stepping up and leveraging their unique characteristics to find success while others are stepping away.”

Since launching on May 5, credit unions partnered with *Student Choice* have already helped nearly 1,500 students and families secure educational financing through a private student loan. According to executives from both Addison Avenue and HawaiiUSA, this high demand showcases the increasing need for credit unions to offer a private student loan solution.

“Partnering with *Student Choice* enables Addison Avenue to offer a product right now that our members need,” said Stu Fisher, Addison Avenue FCU’s Senior Vice President of Business Development and Retail Sales. “This is imperative, especially given the market we are currently facing; our members need honest solutions to their education needs from an institution like Addison that is prudently run and that is trustworthy.”

Karl Yoneshige, President and CEO of HawaiiUSA FCU, echoed those comments and pointed out the importance of helping students fill educational funding gaps that often remain after federal aid has been exhausted. “We have had the federal guaranteed student loan program at our credit union for over 20 years; however, with the changes to the program and the higher cost of post secondary education we were searching for a solution for our members, said Yoneshige. “*Student Choice* made perfect sense – it is a program by credit union partners that meets our members’ needs.”

By working with *Student Choice*, Addison Avenue FCU and HawaiiUSA FCU will help their members secure funds to meet the rising cost of higher education. The private student loan 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.

Eighteen credit unions in 15 different states are currently offering loans through the services provided by the CUSO. The turnkey solution gives credit unions the ability to offer their own full-service private student loan program without adding any additional staff. Credit unions retain the full long-term economic

benefit and important relationship opportunities that these loans offer. According to Jeffreys, it's a credit union's balance-sheet lending capability that puts them in a powerful position to gain local market share, build long-term relationships with young adults and schools, and provide a valuable financial service to their members at a time when many other lenders are struggling with unfavorable market conditions.

"Most private student lenders rely on secondary market access to fund loans," said Jeffreys. "Due to the mortgage meltdown and ensuing credit crunch, that market has completely evaporated, forcing many lenders to stop funding new loans or significantly raise their fees and rates. Credit unions are not subject to these same liquidity concerns and capital market fluctuations, which gives them a wonderful opportunity to do what they do best—use proper risk management and offer appropriate terms to lend member deposits, for the good of the member and the credit union."

The eighteen credit unions live on the *Student Choice* network (along with their asset size) include: Affinity Plus FCU (\$1.4B), Alabama CU (\$282M), Digital FCU (\$4.1B), Directions CU (\$518M), Eli Lilly FCU (\$828M), Irving City Employees FCU (\$36M), Leaders CU (\$105M), Members 1st FCU (\$1.5B), Motorola Employees CU (\$661M), NASA FCU (\$900M), Northwest FCU (\$1.6B), NuUnion CU (\$812M), Polish & Slavic FCU (\$1.2B), San Antonio FCU (\$2.5B), Star One CU (\$3.8B), Visions FCU (\$2.1B), Workers CU (\$595M), and Wright-Patt CU (\$1.4B).

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. Credit Union industry 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.

About Credit Union Student Choice

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, visit www.studentchoice.org or call 800-237-5678 and ask for a Credit Union Student Choice representative.
