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Contact:

Mike Weber, VP Marketing – [mweber@studentchoice.org](mailto:mweber@studentchoice.org)  
Credit Union Student Choice  
(563) 599-1193

**FOR IMMEDIATE RELEASE**

**Grow Financial FCU and Arkansas FCU Become Latest to Partner with *Credit Union Student Choice***

**Washington, D.C. (November 13, 2008)**—Grow Financial Federal Credit Union (\$1.8B in assets) in Tampa, FL and Arkansas Federal Credit Union (\$662M in assets) in Jacksonville, AR have become the 21<sup>st</sup> and 22<sup>nd</sup> credit unions to partner with *Credit Union Student Choice* in offering the credit union service organization's private student lending solution.

"With the addition of Grow Financial and Arkansas to our program, we will soon be offering a high-quality private student loan product to nearly 2.5 million existing credit union members, not to mention millions of potential members, many of whom could also benefit from this product," said Scott Patterson, Executive Vice President of *Credit Union Student Choice*. "As a result of market turmoil, credit unions have an opportunity like never before to get into the business of private student lending. With our program, credit unions actually control pricing and retain the loan on their own balance sheets, giving them a chance to deliver real economic value to borrowers and the credit union, while connecting with young adults through a long-term loan relationship."

Since launching on May 5, credit unions partnered with *Student Choice* have already granted more than 1,500 private student loans. Featuring zero origination fees and lower interest rates, these cost-effective loans will deliver financial value to students as they pursue the lifelong value of a college education—a fact not lost on executives from Grow Financial and Arkansas.

"Education is paramount to greater opportunity," said Douglas Drake, Chief Operating Officer at Grow Financial FCU. "Our goal at Grow Financial is to provide the resources to help people attain their dream of higher education, enriching their lives and the lives of generations to come."

"Arkansas Federal is proud to partner with an organization that will allow us to stay true to our core purpose of "Improving Each Member's Financial Life" while providing an attractive loan product that meets the financial needs of our younger members," said Jeffrey Vint, Assistant Vice President of Mortgage Lending at Arkansas FCU.

By working with *Student Choice*, Grow Financial FCU and Arkansas 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, while several more will be launching the product before year-end. 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 Patterson, it's a credit union's balance-sheet lending

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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 Patterson. “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 1<sup>st</sup> 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 3<sup>rd</sup> 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.

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### **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](http://www.studentchoice.org) or call 800-237-5678 and ask for a Credit Union Student Choice representative.***

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