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Credit Unions Pledge \$1 Billion to Higher Education Financing Solutions

Stand ready to support families, colleges and universities in case of Federal budget disruptions

Washington, D.C. (July 22, 2011)— In the face of heated debt-ceiling and deficit negotiations in Washington, nearly 200 credit unions partnered with [Credit Union Student Choice](#) have underscored their commitment to students, families, and colleges by collectively pledging \$1 billion to higher education financing solutions.

According to Jon Jeffreys, President of *Credit Union Student Choice*, this historic pledge comes at a critically important time for higher education. While students busily prepare for Fall semester classes and finalize their funding needs, Congress is engaged in fierce negotiations over the Federal budget—an impasse that could significantly impact the flow of educational funds, such as vital Pell Grants, to students, colleges, and universities.

“Our credit union partners have stated loud and clear that they support students and families, and in turn, the colleges and universities that are the bedrock of many communities,” said Jeffreys. “While it’s imperative that students first maximize scholarships, grants, and Federal Stafford loans, this pledge reaffirms our credit union partners’ commitment to providing fair-value private student lending solutions. This is especially important in light of the ongoing budget negotiations, which could potentially result in delayed or reduced funding of key programs.”

With education costs continuing to rise, millions of students rely on loans to pay for college. Jeffreys points out that while Federal student loans provide the best financing option, many students also rely on private student loans to fill funding gaps. The nationwide *Student Choice* network enables its 200 credit union partners to provide school-certified private education loans to students in need of additional financing options, while also providing key information to help families make responsible decisions on the best ways to pay for college.

“We are thrilled to be a part of such an important collaborative commitment to families and schools,” said Linda Darling, Executive Vice President and Chief Financial Officer of Suncoast Schools Federal Credit Union in Tampa, FL. “Higher education empowers individuals in our local communities and is vital to our nation’s future competitiveness. Credit unions may not be able to solve all problems stemming from the current federal government fiscal situation – yet, we know through this historic pledge, we can make a difference for many.”

While the pledge refers mainly to the private student lending solution, Jeffreys adds that many credit unions can also serve as a resource for colleges and universities that may need financial contingency plans in case of any disruption of funds caused by ongoing Federal budget negotiations.

“Colleges and universities are keeping a close eye on budget negotiations, as that could potentially have a direct impact on Federal funding that is vital for higher education programs,” said Jeffreys. “While some believe the likelihood of a major disruption is low, it’s important to note that credit unions stand ready to assist with contingency plans. The credit union commitment to America’s families and their education aspirations remains unchanged regardless of what happens in Washington, DC.”

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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 young adults. The 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. The CUSO helps credit unions by managing many of the challenges and risks commonly associated with student lending. Since launching in May 2008 with seven credit union partners, the CUSO has now grown to serve more than 200 credit unions across the country. To learn more, visit www.studentchoice.org.