



Contact:

Mike Weber
Credit Union Student Choice
mweber@studentchoice.org
563-599-1193

Lisa Mallow
MJB Public Relations Group
lisa@mjbpr.com
866.714.7041

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U.S. News Article Underscores Emerging Influence of Credit Unions in Student Lending
Article highlights Eli Lilly Federal Credit Union's loan program through Credit Union Student Choice

Washington, D. C. (Aug. 24, 2010) – As students across the country return to campus for the fall semester, more are relying on credit unions to help fund their college expenses. And national publications – such as *U.S. News & World Report* – have taken notice.

In its August 16 issue, the news magazine featured Indianapolis-based Eli Lilly Federal Credit Union member and college student Lauren Hoover. Hoover received a private student loan from the credit union to pay expenses that exceeded funds available through scholarships, grants and federal loans. Offered through Eli Lilly FCU's partnership with *Credit Union Student Choice*, Hoover's loan rate was nearly three percentage points less than the offer she first received from a national private lender. The lower rate reduced her monthly payments by \$50, and will save her more than \$6,000 in total interest paid.

According to Jon Jeffreys, President of *Credit Union Student Choice*, the leading provider of student lending services through America's credit unions, the 20,000 college students and families who've borrowed through the *Student Choice* program will save nearly **\$500 million** over the life of their loans than if they had acquired an "average" private student loan from another lender.

"By the end of September, *Student Choice* and our 150 participating credit unions will be funding more than \$200 million in fair-value, zero-fee private loans in 2010 alone," said Jeffreys. "Together, we're helping thousands of students like Lauren Hoover gain the life-long benefits of a college education. And, by offering loans that carry an average rate of just over 6.00 percent, we're also helping to reduce excessive private student loan debt burdens."

By enabling credit unions of all sizes to make school-certified private student loans that are held on their own balance sheets, the program also benefits participating credit unions in many ways: grows and diversifies their loan portfolios, makes a positive impact in their local communities, and provides valued service to members.

And in the case of Eli Lilly FCU, which has provided 500 student loans through the program totaling \$7.5 million, *Student Choice* has also driven younger, new members to join the credit union. "The product, with lower rates and no origination fees, is much more 'student friendly' than other similar products," said Rick Thornburg, SVP, Lending at Eli Lilly FCU. "We have been able to offer larger loans to our members as part of a group than if we were doing this on our own. It allows us to provide a total solution to the whole 'gap' financing issue."

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Credit Union Student Choice

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Eli Lilly FCU has participated in *Student Choice* since May 2008, and was one of the original investors in the credit union service organization. “Student loans are a core credit union product and serve a critical need of our members,” said Thornburg.

With college costs skyrocketing – last year’s average tuition, room and board was \$14,793 at public universities and \$35,636 at private schools, according to the College Board – the need for quality private student lending programs is strong. While grants, scholarships, and federal Stafford loans are a student’s first funding options, they often cover only a portion of expenses.

“*Student Choice* is designed to help fill the gap after lower-cost sources of financial aid have been exhausted,” said Jeffreys. “Because our program focuses on helping credit unions make direct loans to students and families at a local level, it makes them an even more valuable resource to their community, while providing a genuine opportunity to develop long-term member relationships with these borrowers.”

Jeffreys says that after two-and-a-half years in business, *Student Choice* has captured 70 percent market share in the credit union private student lending space, thanks in large part to its singular focus on delivering value to both consumers and credit unions.

“As a CUSO we share the same core philosophy of our credit union partners. As more and more families search for options to help fund higher education costs, we’re in an excellent position to meet their needs,” said Jeffreys.

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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 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.

Since launching in May 2008 with seven credit union partners, the CUSO has now grown to serve more than 150 credit unions across the country. It was also recognized in 2009 as a co-recipient of the prestigious NACUSO Collaboration and Innovation Award. 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.