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## **ISAC-Credit Union Pact: Approximately \$100 Million in Loans Available to Illinois Students**

*U of I Employees Credit Union & ISAC Extend, Expand College Funding Agreement*

**CHAMPAIGN, IL** — The U of I Employees Credit Union (UIECU) and 11 other Illinois-based credit unions will invest nearly \$100 million in securities issued by the Illinois Student Assistance Commission (ISAC) to finance low-interest, federally secured loans through the Federal Family Education Loan Program (FFELP) to Illinois students and their families, making college affordable for thousands of Illinois students for the second straight year.

The commitment level by 12 credit unions thus far is approximately the same as the \$100 million secured in September, 2008. This figure could grow as new participants join in and commitment levels increase in the next six months.

“Our message to Illinois’ college-bound students and their families is that we will have plenty of money to lend you to go to school,” said ISAC Executive Director Andrew Davis. “We salute our partner credit unions and the Illinois Credit Union League for again recognizing the importance of higher education for the public good and making sure Illinois students have access to federally-backed, low-rate student loans.”

The Illinois Credit Union League (ICUL) played a critical role in securing credit union support. The credit unions joining U of I Employees Credit Union in the partnership include Alliant Credit Union (Chicago), Baxter Credit Union (Vernon Hills), Citizens Equity First Credit Union (Peoria), CommonWealth Credit Union (Kankakee), Corporate America Family Credit Union (Elgin), Credit Union 1 (Rantoul), I.H. Mississippi Valley Credit Union (Moline), ISU Credit Union (Normal), Motorola Employees Credit Union (Schaumburg), Scott Credit Union (Collinsville), and SIU Credit Union (Carbondale).

“Making college affordable for thousands of Illinois students is something the U of I Employees Credit Union feels strongly about,” said Greg Anderson, UIECU Executive Vice President. “We are committed to serving both campus and community, and part of that commitment is ensuring that our students have a chance to get the education they need to be competitive in today’s job market.”

“We are pleased to once again team up with ISAC and continue backing their efforts to help students get a quality education,” said Dan Plauda, ICUL President/Chief Executive Officer.

“The credit unions stood tall in providing the backing for us to meet the rising demand for student loans in the State of Illinois,” said Illinois Designated Account Purchase Program (IDAPP) Director Steve DiBenedetto. “We are pleased to continue to invest in the students of Illinois at a time when others are pulling out. Our commitment is to provide a loan to every student who needs one, and we invite them to explore their options on our newly-redesigned website, IDAPP.com.”

The new IDAPP.com website reflects that investment in Illinois students, allowing users to quickly and easily access information on various types of loans, apply for loans online, check loan status, and even make payments on a one-time or automated basis with just a few mouse clicks.

Through IDAPP, ISAC's lending arm, Stafford and PLUS loans are available to students and their families, offering the advantages of lower interest rates and more favorable terms than private loans in addition to the excellent customer service provided by IDAPP. Interest on a government-guaranteed loan is between 6 and 6.8% while interest on a private loan can be as high as 18%.

A lack of liquidity, steadily increasing tuition costs and changes in federal policy that cut lender profits created a disruption in student lending in some states. Last fall, state student loan agencies in Minnesota, Massachusetts and Pennsylvania ceased student lending operations, while IDAPP continued to lend through the year with the backing of the credit unions. The most vulnerable students are those from the lowest income levels, and this financing makes college affordable for thousands of Illinois students.

"The freezing credit market has caused great anxiety for students, parents and colleges about the continued availability of student loans," continued Davis. "Thanks to the credit unions' support of ISAC's FFELP participation, we are able to continue our mission of making college both accessible and affordable by offering Illinois students and parents services such as college access programs, financial literacy education and loan delinquency and default prevention."

Financing for this agreement is subject to approval by the ISAC Commissioners and by the boards of directors of the credit unions at their respective meetings.

A credit union is a not-for-profit financial cooperative that is owned by the members it serves. There are about 8,500 credit unions nationwide, counting more than 90 million consumers as members, and collectively holding about \$800 billion in assets. There are 423 credit unions in Illinois with more than 2.7 million members.

The U of I Employees Credit Union was founded in 1932, and today serves the University of Illinois community and anyone who lives or works in Champaign County. As a not-for-profit, member-owned financial cooperative, the U of I Employees Credit Union's goal is to improve the financial lives of its members. The credit union serves more than 35,000 member-owners at its four locations in Champaign-Urbana and on the web at [www.uiecu.org](http://www.uiecu.org).

ICUL is the primary trade association for credit unions in Illinois, which provides members with information, legislation and education. Membership is open to any credit union operating in accordance with the Illinois Credit Union Act or the Federal Credit Union Act.

The Illinois Student Assistance Commission provides students of all ages and backgrounds with the resources and support to obtain financial aid for higher education.

A state agency, ISAC has paved the path to post-secondary education with innovative programs for more than 50 years. Last year alone, ISAC continued its mission to make college affordable for Illinois students by issuing over 186,000 grants and scholarships totaling nearly \$431 million.

The Commission provides educational funding with student loans, as a loan guarantor and via numerous public programs such as the successful Monetary Award Program (MAP), the Illinois Veteran Grant and College Illinois!<sup>SM</sup> the Commission's groundbreaking 529 prepaid college tuition program. Students and families have free access to a wealth of financial aid and college planning information at ISAC's family of websites available at [www.knowhow2GOIllinois.org](http://www.knowhow2GOIllinois.org).

For more information about the U of I Employees Credit Union, contact Greg Anderson at 217-278-7700, or visit [www.uiecu.org](http://www.uiecu.org). To reserve your space at the press conference, please contact us today!

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**Note 2:** *The Illinois Student Assistance Commission (ISAC) provides students of all ages and backgrounds with the resources and support to obtain financial aid for higher education. A state agency, ISAC has paved the path to post-secondary education with innovative programs for more than 50 years. Last year alone, ISAC continued its mission to make college affordable for Illinois students by issuing 185,000 grants and scholarships totaling more than \$448 million. The Commission coordinates educational funding with student loans, as a loan guarantor and via numerous public programs such as the successful Monetary Award Program (MAP), Illinois Veteran Grant and College Illinois!<sup>SM</sup>, the Commission's groundbreaking 529 prepaid tuition program.*