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Credit Unions Challenge Broken Student Loan System with Revolutionary Line of Credit Approach

Washington, D.C. (May 20, 2025) — [CU Student Choice](#), a credit union-owned organization that helps credit unions deliver private student loan solutions, announced expanded access to its flexible education line of credit product.

The announcement comes as student debt continues to weigh heavily on millions of families. Traditional private loans often force students to estimate the full cost of their education upfront, a tough ask given how often financial situations and academic paths change midstream.

Many borrowers end up on online lender marketplaces, dominated by national brands willing to pay big dollars for leads. But Student Choice's user-friendly CUSelect Finder Tool at [StudentChoice.org](#) helps students and families discover line of credit options from credit unions that often go unseen on major comparison sites.

"The conventional private student loan is fundamentally broken," said Scott Patterson, President and CEO of Student Choice. "Students are forced to guess their total expenses before the semester even begins, often leading to overborrowing or, worse, coming up short when unexpected costs arise. Our education line of credit model represents a complete paradigm shift — apply once, draw only what you need, when you need it."

Traditional Loans Fail to Match Real Student Experiences

Most private student loans follow a rigid structure that doesn't reflect how students actually move through college. When classes shift, family budgets change, or unexpected costs pop up, traditional loans often offer little room to adapt — leaving borrowers overextended or stuck without options.

A Credit Union Model Designed to Flex

In today's education landscape, uncertainty is the new normal. Families are facing shifting rules around

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federal loan programs, unclear policies, and mixed messages. Meanwhile, students still need reliable, flexible ways to cover tuition now — especially when timing and access are critical.

That's where the credit union line of credit stands apart. Student Choice's model allows students to apply once and access funds over multiple academic years, borrowing only what's needed each term*. It reduces the need to reapply, helps avoid excess borrowing, and gives students the ability to adjust if their plans or needs change. Funds are available quickly when they're needed most.

"It's time we stop pretending that traditional student loans work," said Patterson. "This model flips the script. One application, flexible access, and the freedom to borrow on your own terms. It's built for real life — not for lender convenience."

The Real Cost of Inflexible Loans

When students take out more than they need just to avoid reapplying later, they often end up paying interest on funds they never use. The line of credit approach helps prevent that. It gives students the flexibility to borrow only what's necessary, when it's necessary — and if their situation changes, the loan can adapt with them.

Traditional lenders often design products to maximize profit. Credit unions are offering something different — a borrower-first approach based on trust, flexibility, and long-term value.

A New Tool to Help Borrowers Explore Their Options

To help more families find these alternatives, Student Choice recently updated its Finder Tool at StudentChoice.org. The CUSelect Finder Tool makes it easy for users to compare personalized lines of credit—from multiple credit unions the user is likely eligible to join—based on school, timing, and borrowing needs, with no credit check to compare and no obligation to apply.

"As borrowing decisions grow more complicated and private loan marketing becomes more aggressive, the CUSelect Finder Tool gives students a faster, clearer path to smart options — making informed decisions right from the start and helping them avoid feeling overwhelmed," added Patterson.

About Student Choice

CU Student Choice is a credit union service organization (CUSO) that helps credit unions strengthen their role in education finance. Through private loan solutions and borrower education, Student Choice enables institutions to offer fair, flexible student lending that meets real-world needs. Since 2008, more than 132,000 families have accessed funding through Student Choice credit union partners. To learn more, visit StudentChoice.org. NMLS #2123582

**Subject to credit approval and annual review. Must meet the school's Satisfactory Academic Progress (SAP) requirements.*