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FOR IMMEDIATE RELEASE

Credit Unions Sound the Alarm on Student Loan Procrastination — Urge Families to Lock in Flexible Line of Credit Before Fall Deadlines

WASHINGTON, D.C. (June 18, 2025) – CU Student Choice, a leading provider of education financing solutions, is renewing its nationwide outreach campaign to help students and families avoid last-minute borrowing pitfalls and long-term debt. Backed by a network of more than 200 credit union partners, the flexible, multi-year education line of credit offers a smarter, reusable alternative to traditional private student loans, just as tuition deadlines loom and financial decisions become most critical.

The initiative, offered through the [Student Choice](#) platform, aims to give families an alternative to traditional private student loans, which often force borrowers to guess their total cost of attendance upfront and reapply every year.

“Many families wait until the last minute and feel forced into taking whatever loan they can get,” said Rich Kump, President and CEO, UMassFive College Federal Credit Union. “This approach creates stress and leads to overborrowing. Our education line of credit removes that pressure by providing a reusable safety net so students can borrow as needed, when needed.”

A Safety Net, Not a Sales Pitch

Unlike most private loans that lock borrowers into one lump-sum loan amount year by year, the Student Choice model allows borrowers to draw on funds over multiple academic years*. That means students can adjust borrowing based on scholarships, financial aid, or changes in academic plans — avoiding interest on funds they do not need. Even if students don’t plan to borrow right away, having the line of credit in place gives them a financial safety net they can tap into if or when it’s needed. The credit union-backed program also offers:

- One-time application for multiple years of borrowing*
- No origination fees or prepayment penalties
- Support from real credit union representatives

- Repayment terms of up to 25 years for affordability

This unique model has already helped 132,000 families finance their college education more confidently and has recently been expanded to support more than 2,000 colleges and universities.

A Timely Warning for Procrastinators

A recent report from Sallie Mae shows that more than 50% of families wait until July or later to finalize student financing — often leading to rushed decisions and higher loan balances. Traditional private loans, often promoted through paid aggregator sites, do not always provide the flexibility or transparency needed for smart borrowing decisions.

“We built this program for families who don’t want to overborrow but also can’t afford to wait,” said Kump. “It’s not about pushing debt. It’s about doing the right thing and putting students in control.”

Rising Awareness Amid Growing Concern

As federal student loan headlines dominate the news, from stalled forgiveness debates to rising interest rates on new federal loans - families are facing a confusing and often frustrating borrowing environment. Many students don’t realize until it’s too late that federal loans alone may not cover the full cost of attendance, and traditional private loans often lead with unobtainable, low teaser rates, rigid terms, and limited protections.

Amid this uncertainty, credit unions are stepping up. Backed by decades of member-first values, these not-for-profit institutions are offering a smarter, more transparent alternative - one that’s designed around flexibility, and long-term financial wellness. With an education line of credit, students and families can secure funding without being forced into borrowing more than they need, offering a calmer path forward during an increasingly chaotic time.

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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.*