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New Loan Option for College Students

Iowa-Area Lenders Pool Resources to Help Students Without Cosigners

WEST DES MOINES, IOWA (Sept. 2, 2010) — As the first university bills of the school year start to hit Iowa college students' mailboxes, those with nowhere to turn to fund their college education now have another option. This is thanks to a group of Iowa-area lenders who have stepped up to provide a supplemental private student loan to students who are unable to obtain a qualified cosigner.

"We're seeing a lot of students caught in a difficult spot, said Gary Steinke, president of the Iowa Association of Independent Colleges and Universities. "They need more money to cover what financial aid doesn't, but their parents can't help them out by cosigning for a traditional private student loan. By providing an alternative with transparent and reasonable terms, these banks are helping students who may otherwise have to forego or postpone college."

Students often turn to private student loans after exhausting available federal, state and institutional financial aid. Generally, cosigners are required to meet underwriting criteria on students who have little income and a short credit history. However, with economic conditions continuing to result in unemployment or underemployment for working families, many parents are unable to cosign a private student loan, reducing students' options.

A group of Iowa-area lenders have pooled resources to create the Iowa Alliance Private Student Loan ProgramSM (Iowa Alliance Loan), serviced by Iowa Student Loan[®]. The program offers supplemental private student loans with upfront terms to students who have been denied a private loan requiring a cosigner. The participating lenders have gone above

and beyond by raising enough funds to help Iowa students fill the gap between cost of attendance and available financial aid for the next two academic years.

The following Iowa-area lenders are participating in the Iowa Alliance Loan program:

- American State Bank, Osceola
- Bankers Trust Co., Des Moines
- Community State Bank, Paton
- Crawford County Trust & Savings Bank, Denison
- Fairfax State Savings Bank, Fairfax
- Guthrie County State Bank, Panora
- Heartland Bank, Gowrie
- Iowa Student Loan, West Des Moines
- Manufacturers Bank & Trust, Forest City
- MidWestOne Bank, Iowa City
- Modern Woodmen Bank, Rock Island, Ill.
- Northwest Bank, Spencer
- Patriot Bank, Brooklyn
- Shelby County State Bank, Harlan
- Sibley State Bank, Sibley
- Treynor State Bank (TS Bank), Treynor

To learn more about the Iowa Alliance Loan program and the lenders offering it, visit www.studentloan.org/alliance. Students must apply through their school's financial aid office.

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About Iowa Student Loan

Since 1981, Iowa Student Loan, a private, nonprofit organization, has helped Iowa students and families obtain the resources necessary to succeed in postsecondary education. Iowa Student Loan is currently assisting nearly 240,000 customers pay for college. The organization, based in West Des Moines, Iowa, also provides benefits in the form of discounted loan products and loan forgiveness programs and supports free college planning services for students and their families. For more information about Iowa Student Loan, visit www.studentloan.org.