



OFFICE OF ILLINOIS STATE TREASURER

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State Treasurer Frerichs Announces New Option For Illinois Students Struggling to Obtain Traditional College Loans

Illinois No-Cosigner Loan Latest Addition To Student Empowerment Fund

News conference video will be posted here: <https://cms.illinois.gov/agency/media/video/videos.html>

Testimonial from a borrower is posted here: <https://www.youtube.com/watch?v=3msLJVh0dFc>

Illinois students struggling to obtain traditional college loans have a new option to borrow money for in-state higher education costs thanks to a new program Illinois Treasurer Michael Frerichs unveiled today.

The new Funding U [Illinois No-Cosigner Loan](#) is part of the [Student Empowerment Fund](#), Treasurer Frerichs' plan to provide private college loans for Illinois residents at lower rates than private competitors and help bridge the gap with federal financial aid. The No-Cosigner Loan joins ISL Education Lending's Illinois Partnership Loan and Illinois College Family Loan options.

"The costs of college continue to rise, and the chaos in Washington is hurting, not helping our families," Frerichs said at a Thursday news conference at 555 W. Monroe. "Financial aid often doesn't cover all of the costs, and we are offering a solution to help students bridge the gap."

Funding U is working with the State Treasurer's Office to offer the Illinois No-Cosigner Loan. The program's aim is to focus on the dedication and achievements of students rather than their lack of a credit score or cosigner's financial status.

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“Funding U's mission is to empower first-generation and low-income students across the U.S. to complete higher education by providing access to responsible, affordable financing,” Funding U Founder and CEO Jeannie Tarkenton said. “Thanks to the leadership of Treasurer Frerichs, Illinois students who are often the most vulnerable to drop out can now graduate with less expensive debt.”

The Illinois No Co-Signer Loan is open to Illinois residents attending an Illinois public or private not-for-profit university or college and is an attractive option for students who have maxed their grants, scholarships, and financial aid and have no access to a co-signer. The fixed annual percentage rate ranges from 7.99% to 9.49%. A no-cosigner student loan option at a competitive rate has not been available to Illinois students until now.

The Treasurer's Office is partnering with ISL Education Lending to offer the Partnership and College Family loans. Families can save thousands of dollars in interest when they choose the Illinois Partnership Loan in comparison to other private loan lenders. And the Illinois College Family Loan for parents has lower APRs than the Federal Direct PLUS Loan. Borrowers or their co-signers must have a credit score of at least 660, and the fixed annual percentage rates range from 3.45% to 6.77%.

“We are proud to partner with Treasurer Frerichs to deliver lower-cost supplemental student loans to Illinois families. At a time when the high cost of college is causing some families to reconsider its value, the Treasurer's program makes college more affordable,” said Steve McCullough, the CEO of ISL Education Lending.

Illinois families say they're pleased with the results.

Soham Tillu saved money for college, but the Palatine father was looking to borrow some as well for his daughter Sachi, a third-year biology student at the University of Illinois Champaign-Urbana.

“The ISL loan was at a lower rate. It was very affordable. It also was very easy to apply,” said Tillu, an Illinois Partnership Loan participant who has recommended the program to several friends. “The private loans we looked at were much more expensive.”

How the Student Empowerment Fund works: The State Treasurer's Office makes investments with student loan providers that lend to Illinois residents. Lenders then make private loans at affordable rates, and students or their families repay the loans. The lenders make interest payments to the State Treasurer's Office, which are reinvested to provide more loans for Illinois residents.

The Student Empowerment Fund has made nearly 700 loans totaling \$10.8 million since launching in 2023. The average amount borrowed is about \$21,000. Illinois State University, Augustana College, the University of Illinois, Lewis University and Southern Illinois University are the top five schools by volume.

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About the Illinois Treasurer

The Illinois State Treasurer's Office is a powerful economic engine that invests in people to drive prosperity, development and growth throughout the state. As State Treasurer, Michael Frerichs (FRAIR'iks) is the state's Chief Investment and Banking Officer and actively manages approximately \$60 billion. The investments help families pay for college and trade school; workers save for a dignified retirement; and local governments process bill payments more efficiently so they can pass along the savings to taxpayers. The office provides financial institutions money to loan to farmers, small business owners, and qualified individuals at below-market rates because better jobs create stronger communities. The office operates the state's largest consumer-protection initiative, the unclaimed property I-Cash program, which has returned a record-breaking \$2.2 billion since Frerichs was elected.

For more news about the State Treasurer's Office, please follow Treasurer Frerichs on Instagram at [ILTreasurer](#), [LinkedIn](#) and Facebook at [Invested in You – Treasurer Michael Frerichs](#). You can find our weekly newsletter [here](#).

About Funding U

At Funding U, we believe the historical lack of access to college education and affordable credit for low-income Americans must be addressed innovatively. High-achieving students should have access to 'last gap' education loans, regardless of their family income level or credit profile. Our products are offered to students whose behaviors indicate they are on track to graduate and become steady earners.

Founded in 2017 and operating nationwide, we provide our school partners with a solution that supports and meets the needs of students that traditional private loan providers are unable or unwilling to serve – students who lack sufficient credit on their own or do not have access to a creditworthy cosigner.

Unlike traditional gap financing lenders, which require a cosigner or stellar credit history, Funding U's model evaluates student applicants based on their proven academic merit and predictive outcomes, not their family's financial conditions. For more information, visit [Funding-u.com](#).

About ISL Education Lending

Established in 1979 as Iowa Student Loan Liquidity Corporation, a private, nonprofit organization, ISL Education Lending helps students and families obtain the resources necessary to succeed in postsecondary education. ISL has helped over 400,000 students pay for college, offering educational loans and other products under the name ISL Education Lending. The organization, based in West Des Moines, Iowa, also provides an array of borrower benefits, financial literacy tools and community reinvestment programs, including support for free college planning services for students and their families. For more information, visit [www.IowaStudentLoan.org](#).

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