

## WRITTEN TESTIMONY FOR HB 1290, MARCH 21, 2023

Dear Members of the House Appropriations Committee:

I am writing this letter in support of HB1290, Reform of the Maryland 529 program, but with amendments. I am a participant in the Maryland Prepaid College Trust. My daughter will start college this fall.

Please support an amendment to HB1290 that will require the Treasurer to issue rollovers or refunds based on the contracts signed by participants in the Maryland Prepaid College Trust. Maryland 529 made incorrect manual calculations for the rollovers based on Treasury Bill Rates, not the earnings of the Trust, the method provided for in our contracts. You may look at the December 2019 Audit Report of the Department of Legislative Audits for methods suggested by them.

Please support an amendment to HB1290 that will fast track refunds and rollovers to participants with students either currently in college or starting this fall. Time is of the essence for these people.

Please support an amendment to HB1290 that provides a procedure to claim consequential damages caused by the trust. Maryland 529's interest freeze forced account holders to take second mortgages, rack up credit card debt, etc. to pay college bills when they should have been able to access their funds in the trust. Late reimbursements for college expenses may be subject to IRS penalties.

Please support an amendment to HB1290 that will require the Treasurer to notify the participants of the Maryland Prepaid College Trust of any changes in the program.

Please support an amendment to HB1290 that will require the Treasurer to notify the General Assembly any shortfalls that may occur during the wind down of the Maryland Prepaid College Trust. Although not likely, this will put the General Assembly in a position to promptly remedy any problems that occur.

Regards,

Edward Hall

