I'm writing you as the parent of a 15-year-old kid who is ready to go to college in 2.5 years. To prepare for his future, we set up two prepaid accounts with the MPCT, one through myself and one through my husband, to cover 2 years of university each. Both accounts were fully paid off as of 2009.

We opted for MPCT prepaid accounts because the contract clearly stipulated that even if our son did not attend college in Maryland we could always roll over the account into another qualified tuition program.

At the time we opened the accounts, the conditions for rollovers were described in the disclosure statements as follows:

> **A Contract in existence for three years or more as measured from the first payment due date.** The transferable amount will equal the actual payments made to the Prepaid College Trust plus or minus 100% of the Trust Returns applied to the contract payments, less Operating Expenses and any Benefits used.

This specific language was last included in our 2020-2021 Disclosure Statement, page 7, Article VI: Rollovers and Refunds.

All documents leading up to and including the 2020-2021 Disclosure Statement (page 3, Article II: Definitions, §29) defined Trust Returns as follows:

> 29. **Trust Returns** means the since inception rate of return for the Prepaid College Trust. The date of inception is December 31, 1998 and the since inception rate of return is updated quarterly by the Prepaid College Trust's investment advisor. Trust Returns are used to calculate Rollover Distributions and refunds as described in Article VI of this Disclosure Statement.

Over the years, we carefully monitored the Trust Returns and determined that they were well over 5% in most years with accrued earnings amounting to almost twice our initial investment. Thus, we saw no reason to initiate a rollover before our son had settled on a college.

We were therefore shocked to learn that on November 1, 2021 the MPCT board apparently made a **retroactive change in the calculation of rollovers** that almost completely erased the promised Trust Returns for rollovers without clearly communicating this to families. From what we understand, a rollover might now leave us with LESS than our original investments due to added fees!

We deeply appreciate the efforts of the Maryland General Assembly delegates who realize the actions of the MPCT Board harmed account holders and we support SB959. However, it does not fully solve the problem because it does not specify the earnings rate that should be applied to our accounts.

We therefore ask for the following amendment:

Any claim submitted through the Treasurer's remedy process will receive no less than the rollover value of the contract as of October 31, 2021, plus accrued interest to the time of the settlement, provided that the account holder's contract was in good standing as of that date.

Sincerely,

Corinna Loeckenhoff