

I am the parent of a MPCT account holder who will be going to college in 2025 (and likely attend an out of state college because of our family situation). I applaud all the efforts of the Maryland General Assembly delegates to address the recent harmful changes in the MPCT program. Thanks for trying to make things right for our children!

I support SB 959 but it does not go far enough because it does not specify the earnings rate that account holders can expect for their accounts.

Until the MPCT **retroactively changed the calculations for rollovers in November 2021**, account holders were contractually promised a rollover value that “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.

Trust returns were well over 5% in most years. In our case, the resulting earnings, accrued since 2009, meant that our investment had almost doubled in value! The MPCT board’s recent actions completely erased those accrued earnings, potentially costing our family tens of thousands of dollars and jeopardizing our son’s education.

Moreover, the MPCT board apparently didn’t realize what they were doing. At the time of the change in contract (November 1, 2021), the communication to account holders clearly indicated that the 6% earnings rate would be applied to contributions **from inception**, resulting in similar rollover values as under the old contract. If we had any reason to suspect that the earnings would only be applied **from the time of the change in contract**, we would have immediately rolled over our accounts to save our accrued earnings.

Based on this, we ask that account holders are held harmless to the damaging, retroactive contract changes of November 1, 2021. Please include the following amendment:

Claims submitted through the Treasurer’s remedy process should receive 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.

Thank you for your help,

Francois Guimbretiere