Dear members of the Maryland MGA,

I wanted to keep you informed about the reaction of account holders to the bill that was voted on by Senate committees on April 6 and will likely be headed for your vote before Monday.

While we appreciate the efforts of the Maryland General Assembly to solve the problems at the Maryland Prepaid College Trust, we remain concerned about the bill with amendments that was voted out of committee on April 6. It does not go far enough to resolve the damage caused by the November 1, 2021 change in our contract terms. We therefore respectfully ask that the final bill include a new amendment that states:

Any claim submitted through the Treasurer's remedy process will receive no less than the rollover/refund 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.

We heard testimony that the Treasurer believes the 529 board intended the 6 percent rate to be applied only for future accounts. This statement is not supported by the 2021 and 2022 GRS actuarial analyses signed off by the board and included in annual reports. It also conflicts with Intuition's original calculations and with numerous written and oral statements to account holders from 529 executives that the 6 percent rate was to be applied to contributions from inception.

We are not asking for anything more than what was promised to us in our contracts. When the Treasurer decides on the earnings rate that should be applied to our accounts, he must recognize that the rollover/refund value of our accounts was based on an approximately 6 percent return rate (and for many account holders even more) for decades. That is why the December 2021 FAFSA values made sense to us. The board decision to codify the 6 percent for all types of benefits (not just refunds/rollovers) does not change the fact that we were always entitled to that rate. The manual calculations reflect an interest rate not found in any contract from 1998 to 2021. Adding the new amendment will ensure that account holders who invested for years are not damaged from the Nov. 1, 2021 retroactive harmful policy change, while newer account holders benefit from a policy that uses Trust earnings from our investments to their advantage.

It is not equitable to shift the trust earnings earned on the contributions of the long term account holders that are withdrawing from their account now to pay for their children's education to newer account holders with young children, as well as illogical/irresponsible for 6% interest to be applied to future accounts for 18+ years when the future performance of trust investments is unknown.

In addition, the Treasurer's staff said it is waiting for new actuarial reports before committing to giving account holders a certain return rate as part of the remedy process. Once again, account holders should not be punished for relying on written documentation from the Trust for making financial decisions. If those documents are wrong, then the state should be held accountable, not us. Removing the work group ensures that no one will be held responsible for reckless decision-making that caused so much harm.

Below is my calculation showing the unfair shift of trust earnings from long term account holders with current colleges expenses to account holders who entered the plan years later that have young children who will not be attending school anytime soon.

Thank you for your efforts to help us. Please reach out if you have any questions or require any additional information.

Vicki Evers
MD District 9A

Sent: Tue, Jan 31, 2023 11:34 am
Subject: Maryland Prepaid College Trust 529 - UPDATE

Good Afternoon,

Since writing to you below I have received my manual calculation from MCPT and wanted to update your office. As I detailed below, the calculation I did for myself based on MPCT's "corrected" methodology slashed my account balance from $91K to approximately $42K. I was pretty close, MPCT's"corrected" calculated value of my account is $41K. It should be noted that I did this calculation manually in a spreadsheet in about 40 minutes, the most time consuming part being setting up the spreadsheet. I'm not sure why it is taking the agency so long to complete 500 requests and why a team of CPAs and attorneys are needed to do so. Once the spreadsheet is set up it is a data entry job.

Since receiving confirmation that my spreadsheet is essentially set up correctly I was curious to see how a new family 17 years later, in 2021, that takes the same path of saving for their infant child's future in MPCT as I did would fare. I used my spreadsheet and entered the same lump sum payment I made (NOT adjusted for inflation) and calculated earnings for the next 18 years. Answer - earnings of $66K. To summarize and compare:

	My Family	New Family
Date Enrolled	12/2004	10/2021
Contribution	$34K	$34K
Earnings	$7K	$66K
Total Account Value	$41K	$100K
Years in Plan	18	18
Plan Surplus When Benefits Used	$355.6M	Unknown - Year 2039

This clearly demonstrates the shift of the surplus that the trust has accumulated **using my contribution** over the 18 years I have been an account holder to families that enrolled many years after me and is not equitable, fair, or reasonable.

I have recently received requests for my name and contact information so that a new Maryland 529 liaison can be contacted to hopefully resolve my case but I'm not sure what help she can provide. MPCT's position is that my account is now correct. I really need your help to right this wrong for myself and the other families like me.

If you have any questions or would like any additional information please reach out. Thank you for your attention to this important matter.

Vicki Evers
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