

First, I want to thank the Maryland General Assembly delegates who listened to account holders and understood that we were unnecessarily harmed by the actions of the Maryland 529 Board. I support SB 959, though I do not think it goes far enough to solve the problem.

The bill would alleviate our concerns if it concluded a new amendment that says:

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 last week in the Senate that the Treasurer's office believes that 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 and disclosures. It also conflicts 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. In separate documents, I've included examples of those emails, as well as the 2022 GRS actuarial audit, which concludes that there's more than enough money in the Trust to cover the rollover liability, which it estimates at \$920.4 million.

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.

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.

Dozens of parents have spent thousands of hours researching this problem. We have uncovered documents no one seems to have ever read, conflicting statements and error-filled official releases from 529 executives, decades worth of contracts and annual reports, years of rollover transactions, and more. We spent hours talking with Spencer Fell, the former customer service manager for the Prepaid Trust, who told us that rollovers with earnings higher than 6 percent were common for decades. We don't believe that a vendor is to blame for this fiasco.

Rather, the 529 Board retroactively changed its policies without proper disclosures and vetting, and then tried to blame it on a calculation error.

We are motivated by one thing: ensuring that families who trusted the state of Maryland's word to help them save for college are not cheated of their earnings.

Removing the work group ensures that no one will be held responsible for this reckless decision-making that caused so much harm. It's shameful that the state, hiding behind sovereign immunity, doesn't want to understand how this situation happened.

Again, thank you for this bill, and for establishing a claims process that we hope will be open to every account holder, as the Treasurer's Attorney General told me in an email. We hope that the process resolves our problems. Right now, there's no guarantee.

Lisa Getter Peterson, Rockville, Md.

Owner of two prepaid accounts.