Thank you for reading my testimony. **First I would like to provide a recommended change. Please add the following to Senate Bill 959:**

1. Rollovers and minimum benefits will be based on the terms of the contract at the time the contributions were made.
2. The change in rollover calculations announced in June 2021 and reinterpreted in January 2023, is applicable to funds contributed after November 2021; it will not be retroactively applied to contributions that were made prior to November 2021. Rollovers for contributions made prior to November 2021 will be calculated using the Trust's since-inception rate of return for contributions made prior to November 1, 2021.

Note: I also feel that the statements we received in Dec 2021 should be honored for rollover, but my minimum request is to honor the rollover language in the contracts we all signed.

Second I would like to convey how account holders have been betrayed by MD529.

There are so many things that have gone wrong over the past year with the Maryland Prepaid trust - lack of transparency, misinformation, board meetings that don't address the issues, missed deadlines, sleepless nights, stress, and spending nights and weekends researching and trying to unwind this debacle because no one from the 529 program will provide any answers. Although I could spend hours describing the details of the mess of the Maryland College Prepaid Trust, I am going to focus my two minutes on the trust we put into the state of Maryland and how that trust has been betrayed.

Mr. Savia has stated many times that this was just a calculation error. In all of my research, I do not believe this was a calculation error - I believe the board made a decision and executed that decision, and then changed their minds.

But, let's assume that it really was a calculation error. If that is true, then the board was either incompetent or they purposefully voted on a change that is causing harm to thousands of account holders. They retroactively changed the rollover method that has been in place since the inception of the trust. They were very deceptive in how they did this.

June 2021 board minutes state: "The Board endorses the rate of return calculation for minimum benefits, rollovers and refunds to be the Trust's since-inception rate of return as of 6/30/21 for balances held prior to November 1, 2021." It says balances held prior to November 1, 2021; not balances held on October 31, 2021. A reasonable person would read this as their funds invested since the inception of the trust would now earn a minimum benefit of 6% - this would have brought the minimum benefit in line with what rollovers have been since the inception of the trust.

Then they issued an update to the disclosure statement in August 2021 that they are excited to announce upcoming changes and they have a number of process improvements planned for MPCT account holders. No where did they mention that some of the changes may have a severe detrimental impact on account holders' rollover value. Isn't this program set up to help us save for our children to go to college? Doesn't it seem underhanded to make a substantial change like this and not alert us to this change? I would think you all would agree that is deceitful.

Now let's look at the competence of their decision making. The new minimum benefit and rollover calculation will provide newer account holders with a guaranteed return of 6% - in some cases up to 28 years, while providing 0 and sometimes negative returns to account holders who have held accounts in many cases for 15 to 20 years during a period of time when the trust has earned an average of 6% per year and tuition has increased at a rate of an average of 2%. Is this fiscally responsible?

So if we believe that the statements we received in Dec 2021 were a calculation error, then the state of MD truly failed us. Whether these decisions were purposefully made and executed in a way to hide what they were doing or it was due to incompetence of the board, we need the state of Maryland to step in and fix this.

Here are some thoughts on how this can be resolved:
In Nov 2021 the new calculation was implemented. We received our statements with the FASFA/Rollover in line with the change in the August 2021 update to the disclosure statement. Then in the March/April 2022 timeframe the MCPT decided they wanted to change the calculation again. So from Nov 2021 until they decided on what the new calculation would be (Jan 2023 was when we started receiving recalculation statements), the calculation reflected on the Dec 2021 statements was the calculation in effect for the trust. They voted to change the calculation in Oct 2022, but still have not let all of the account holders know, so the old calculation is really still in effect according to their rules.

- Therefore, two things should happen immediately
1. For those who have requested rollovers based on the calculation that was in the Dec 2021 statements, those **rollovers should be fulfilled immediately** based on the terms of the contract at the time the contributions were made (since inception returns of the trust).
2. Issue letters now to all account holders letting them know there is a change to the calculation that is a positive change for many account holders but may severely

negatively impact some account holders - and that they have 60 days to either rollover or terminate based on the calculation in place as voted on and executed in November 2021, or they can keep their accounts with the new calculations in place.

After these steps are completed
Evaluate if the MPCT should continue or if it should be dissolved.

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