

Dear Members of the Assembly,

Please pass SB0959 and help Maryland Prepaid College Trust (MPCT) account holders such as our family who are set to lose tens of thousands of dollars as a result of catastrophic mismanagement and breach of contract. When we prepaid the accounts for our son 14 years ago, our contract clearly stated that we could EITHER claim the years of tuition OR roll over our funds into another college savings account and receive the principal plus or minus 100% of the trust returns since inception. Over the years, we noticed that the rates of tuition did not rise as much as we had expected, but we felt safe in the knowledge that earnings continued to accumulate – given that the trust returns were well above 5% in most years. Our 2021 account statements showed that our investment had paid off and the FAFSA values of our accounts were now worth more than twice the principal amount we had paid in. Imagine our shock when we learned that as of 2022 the MPCT suddenly stopped crediting the promised trust returns during rollovers and even stopped processing rollovers altogether. Some account holders could not even access their principal! This is not a simple “miscalculation” due to mismanagement! The decision to stop paying out the promised trust returns as part of rollovers is a clear breach of contract and breaks with decades of precedent of how rollovers were handled.

Please pass SB959, investigate the rampant mismanagement at the MPCT and restore the original terms of the contract regarding rollover calculations. Also, please provide a clear and accelerated timeline for making these corrections. Our son will be writing his college applications next summer – we need to know NOW how and when we will be able to access his funds.

Respectfully,

Francois Guimbretiere