

February 21, 2023

Dear Senators:

My name is Natasha Varnovitsky. I am a single mom of Joseph Varnovitsky, who is currently 19 years old and a college student. In 2004 I funded my son's Maryland Prepaid College Trust account (Acct 4006000310) with a \$10,000 downpayment and made monthly payments of \$245 for the next 16 years. In total, I paid \$56,295 to MPCT. I chose MPCT because it was backed by legislative guarantee and because the terms of the contract specified that an account holder can roll over the MPCT account into a Maryland College Investment account, which would entitle the account holder to receive, in addition to principal, the amount equal to the total rate of return of the Trust as of that date.

In 2021 my son started applying to colleges. I checked the value of my MPCT account to verify how much money we had. The **2021 Year End FAFSA/Rollover Statement showed account value of \$96,918.35**. Based on this valuation, we decided that my son can attend an out-of-state school. In the spring of 2022 he chose to attend College of William and Mary in Virginia. The out-of-state cost of attendance for William and Mary is \$60,000 per year. In the summer of 2022 I called MPCT to do a rollover of funds to receive the rate of return all rollovers were entitled to per the terms of the contract, which at that point was 6%. However, I was told that rollovers were temporarily disallowed while MPCT performs a recalculation of account balances. I needed to pay Joseph's tuition, so in the fall of 2022 I filed a claim to receive weighted average tuition. I received a payment of only \$6,764.95. Multiplied by 8 semesters, that's only \$54,119. This is \$42,799 less than the December, 2021 FAFSA value of my account and \$2,176 less than what I paid into the MPCT.

The new December, 2022 Year End Statement on my account no longer shows the FAFSA value. Furthermore, I am being told that the terms of the rollover have changed and that I am no longer entitled to the rate of return the Trust assets have accrued to date. This represents a retroactive change to the terms of my contract, and it harms me in the amount of at least \$42,799. Being a single mother, I can ill afford such a loss. I have sacrificed a lot over the years to fund my son's college tuition and I do not accept that MPCT can retroactively strip me of over \$40,000 in account value. This money should go towards my son's college tuition, not MPCT.

I trust that you will remedy this injustice and ensure that the parents who sacrificed to make their kids' college dream a reality are not stripped of the funds that are rightfully theirs.

Sincerely,

Natasha Varnovitsky
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