

My name is Lisa Getter Peterson. My husband and I have two accounts for our son, a college sophomore.

As a former investigative reporter, I learned decades ago the best way to get to the truth is to read the documents.

Our contracts clearly stated that we were entitled to “plus or minus 100 percent of the investment earnings or losses” when we rolled over our funds.

[Maryland statutes](#) dictate that the number one fiduciary duty for the Maryland 529 board is “solely in the interest of participants.”

Yet both these crucial documents are being ignored. The Maryland 529 has treated account holders as adversaries from the start. Official communications and customer service has been inadequate at best, deceptive at worst.

That is why this bill is so important. But as Treasurer Davis has testified, he needs clear direction on how to rectify the harm to account holders.

A working group of parents has put together 10 amendments we would like you to consider. The most significant is to allow the Treasurer to grant a 6 percent earnings rate, compounded monthly, on account balances from the date of contribution to the date of transfer or rollover.

This makes sense because 6 percent was the rate that existed at the time of the earnings freeze, and it largely matches the investment returns we were promised in our contracts, as well as the binding December 2021 FAFSA refund value documents, which many parents relied on to make financial decisions.

Our group has identified funding sources that should be more than adequate to cover this amendment, if the annual reports from Maryland 529 are accurate.

The Trust itself has \$1.2 billion in assets, as well as a separate \$13 million surplus fund, kept in a Wells Fargo money market account. That should cover the Treasurer’s startup needs.

If there’s a shortfall, then we suggest the Legislature appropriate money to fund the difference or ask the executive branch to use some of the \$2.9 billion in the state’s rainy day fund.

We are also recommending a damage claims process to help those account holders who have not been able to access their earnings since last year. Adopting these amendments will go a long way toward rectifying the egregious contract violations that have done so much harm to parents who simply want to make college affordable for their kids.

I have submitted the entire amendment package as part of a long research brief in a separate document. Thank you.