

March 20, 2023

Dear Members of Maryland House Appropriations Committee -

Imagine having planned and invested in your children's future college education and not being able to access the proper funds when you need to use them for tuition payments. Imagine not being able to even talk to anyone at the fiduciary to discuss your account balances. Well for MPCT account holders that's the reality we have been dealing with for the past 10 months.

We purchased one-year plans (2 semesters) with MPCT during 2013 for our two children who are now a senior and junior respectively in out-of-state colleges. Our nightmare began as we tried to submit benefit claims for fall 2022 tuition during the summer 2022. We had received our 2021 FASFA statement so we had an idea of what our balances were, but we were unable to get anyone from Intuition or MPCT to tell us the exact amount we were entitled. Last summer, Intuition said we were only allowed to take the WAT (weighted average tuition) amount which was less than what we put into the account 10 years ago. After exhausting all efforts with Intuition representatives, we emailed the former Maryland 529 Interim Executive Director, Bernadette Benik, directly and asked her specifically what our "minimum benefit balances" were on our accounts and how we could access our proper funds. She did not provide our balances but gave us the "minimum benefit" definition which was the same as in the enrollment kit (6% compounded monthly for accounts in existence on 10/31/21). The 6% compounded monthly was in alignment with the prior FASFA statements and we had no reason to believe the definition was not correct. The executive director also advised us to take the incorrect WAT (weighted average tuition) as a benefit claim during August 2022 and she assured us that our additional 6% earnings would be available during the first week of September when the "system fix" went through and we could then submit a second benefit claim. Of course, that never happened. Tony Savia was then hired as executive director during beginning of September so we reached out to him to find out what day we would receive the 6% compounded monthly earnings in our account. He told us on two occasions in writing that he would research our accounts and get back to us but never did. We provided all the relevant account information along with an estimate of our account balances using 6% compounded monthly. Every email exchange we continued to provide our own estimated account balances since no one within the organization could provide that information. The executive director continued to say our earnings were "safe and secure". Not once did the former Interim Executive Director, Bernadette Benik, the current Executive Director, Anthony Savia or Megan Marek, legal counsel for Maryland 529 dispute the estimated balances or earnings rate of 6% compounded monthly on all contributions in our accounts.

Fast forward to 2023 and we are still unable to access our proper earnings. We received the manual calculations in early January which the "consultants" applied incorrect monthly earnings rates of between 0-1%. We have disputed those calculations and have not heard back. The MPCT has stripped account holder earnings and has breached our contracts. We have over \$16K of earnings at stake which is to be used towards our two beneficiary's tuition. We need our accounts restored immediately. Our son is graduating from college May 2023, so we need a solution now! We are in favor of HB1290 with amendments. The bill needs to be effective immediately and the bill needs to demand that account balances will be restored at rate of 6% compounded monthly (before and after) for all contributions made prior to 11/1/21. The earnings rate of 6% was the inception to date earnings rate at the time the accounts were frozen, and it is also included in the definition of "minimum benefit", and 6% was the rate used by the actuaries (GRS) in their reports on the Maryland 529 website as the rate applied to periods before and after Nov 1, 2021, if contributions were made prior to 11/1/2021.

Thank you for your time and attention to the serious matter affecting thousands of Maryland families.

Jenifer & Sean Cornelius