



2515 McKinney Avenue, Suite 1100
Dallas, TX 75201

November 2024

IMPORTANT CHANGES TO THE MONTANA FAMILY EDUCATION SAVINGS PROGRAM BANK PLAN

College Savings Bank, a division of NexBank and the program manager for the Montana Family Education Savings Program Bank Plan (Bank Plan), is exiting the 529 business. As a result, the Bank Plan will close in the Fall of 2025. This notice will provide you details of changes to the Bank Plan (the Transition).

What to expect

Depending on the type of CD or savings option you have invested in, your maturity schedule and options at maturity may be modified as part of the Transition. Read below to see the changes that apply to your CD or savings investment option. We also provide a list of key dates later in this newsletter to help you understand key events in the Transition.

Bank Plan CollegeSure CDs

If your investment option consists of CollegeSure® CDs with an original maturity date on or before July 31, 2025, the maturity of your CollegeSure CD will not change. However, the options available to you at maturity will be updated.

If your investment option consists of CollegeSure CDs with an original maturity date on or after July 31, 2026, we will accelerate those CDs to mature on July 31, 2025. This means all outstanding CollegeSure CDs with a July 31, 2026 or later maturity date will receive a single interest payment. The Annual Percentage Yield (APY) for your CollegeSure CD, calculated based on the issue date and the original maturity term, are as follows, compounded annually:

CollegeSure CD Maturity Date Schedule

July 31, 2025 and before	standard schedule maturity
July 31, 2026 and after	accelerated schedule maturity

CollegeSure CDs issued on or before March 29, 2011 4.5% APY

CollegeSure CDs issued on or after March 30, 2011 2.0% APY

This single interest payment exceeds the original CollegeSure CD interest rate floor guarantee. The CollegeSure CD will no longer earn interest after July 31, 2025.

As always, you will receive a notification 60 days before maturity that will show your existing CollegeSure CD balance. This will show you the current interest guarantee, the value of your CollegeSure CD if you held it until its original maturity date and the amount paid under the new accelerated maturity date and rate offer.

Regardless of your maturity date, at maturity, the funds in your account will automatically be transferred to the CollegeSure Honors Savings Account unless you notify us in writing that you would like to:

1. Take a distribution from your account. This can be qualified or non-qualified. Please note that non-qualified withdrawals will be subject to federal taxes and penalties and, if you are a Montana taxpayer, recapture of previously claimed tax deductions¹;
2. Rollover the matured funds to Montana's 529 savings plan, [Achieve Montana](#); or
3. Rollover the matured funds to a 529 plan not offered by the state of Montana¹.

If you prefer to not accept the accelerated maturity rate you may withdraw all or part of your CollegeSure CD prior to July 31, 2025. You will receive the existing guaranteed floor rate and will not incur any early redemption penalty.

CollegeSure Honors Savings Accounts

All remaining assets in CollegeSure Honors Savings Accounts will transition to an investment option in Achieve Montana in Fall 2025. We will provide detailed transition information, including the investment option into which the CollegeSure Honors Savings Accounts will be converted, once we get closer to the Fall of 2025.

Please note that federal law limits exchanges between investment options in a 529 plan to twice each calendar year, and/or exchanges associated with a beneficiary change. Because the Fall 2025 transition is an investment change initiated by the Bank Plan, it will not be considered one of your twice-annual investment exchanges.

KEY DATES TO KEEP IN MIND		
DATE	AFFECTED ACCOUNTS	EVENT
July 31, 2025	CollegeSure CD	Last maturity date for all CollegeSure CDs. CollegeSure CDs with a maturity date of July 31, 2025 will mature according to their original schedule. CollegeSure CDs with a maturity date of July 31, 2026 or later will mature at the accelerated rate outlined in this notice.
Fall 2025	All	Rollover of all remaining assets held in the CollegeSure Honors Savings Account into Achieve Montana.

Additional detail regarding the Transition will be available in an upcoming Supplement to the Bank Plan Disclosure Statement. Please read and retain that information for future reference.

If you have any questions, please give us a call at 1.800.888.2723, send us an email info@collegesavings.com or live chat with a Client Service Representative.

phone: 1.800.888.2723
www.collegesavings.com/montana

The Federal Deposit Insurance Corporation (FDIC) generally insures, with respect to each FDIC-insured institution, deposit accounts that are held in the same right and capacity up to the maximum amount set by federal law, currently \$250,000. An account owner's interest in the insurable balance of a Bank Plan account is insured by the FDIC on a pass-through basis, together with any other deposit accounts the account owner holds at College Savings Bank, up to the maximum amount. Please see the Disclosure Statement for further information. The Montana Family Education Savings Plan Bank Plan is not insured by the State of Montana. Neither the principal invested nor the investment return is guaranteed by the State of Montana.

CollegeSure and Honors Savings Account are registered trademarks of College Savings Bank, a Division of NexBank | Member FDIC.

¹ Earnings on non-qualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. Tax and other benefits are contingent on meeting other requirements and certain other withdrawals are subject to federal, state, and local taxes.

Account owners who are Montana residents are entitled up to a yearly \$3,000 deduction to adjusted gross income per taxpayer, in computing their Montana State income tax, or \$6,000 for those married, filing jointly, based on contributions to the Bank Plan. Contributions may be subject to recapture in certain circumstances, such as a federal non-qualified withdrawal, rollovers to another state's 529 plan, a Roth IRA rollover, or a withdrawal from an account that was opened within one year prior to the date of the withdrawal, as described in the Bank Plan Disclosure Statement (Recaptured Withdrawal). If the account owner is no longer a Montana resident at the time of a Recaptured Withdrawal, we may withhold the potential recapture tax from the Recaptured Withdrawal.