



College  
Savings Bank®

Member FDIC

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## Frequently Asked Q&A

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### Opening an Account & Fees

1. What are the other fees and how are they determined? Our products have NO asset-based, enrollment, maintenance or program management fees and expense. Certain service fees may apply, as with most 529 programs. Please refer to the program disclosure for a full description of miscellaneous service fees.
2. Is there a minimum dollar amount to open an account? In order to purchase a CD a minimum \$250 deposit is required. You may open an account by ACH minimum of \$25 per month or payroll deduction of \$25 per pay period.
3. Would I contact you directly or go through our local bank? We sell direct through our website or you may contact us by phone. We partner with a number of bank and financial advisors across the country. Online, visit [www.collegesavings.com](http://www.collegesavings.com) or [www.collegechoicecd.com](http://www.collegechoicecd.com); look under Resources; and select Local Financial Advisors. Enter your city/state to see nearby advisors and banks. Also, call or chat with our representatives, available Monday – Friday from 9 a.m. - 8 p.m. Eastern Time. Call us toll free—Arizona Program, 800-888-2723; and Indiana Program, 888-913-2885.
4. Can I open multiple state plans. Example, have a Virginia and Arizona plan? Yes. Plans can be opened in multiple states. However, the total aggregate balance of all plans must be at or below the maximum plan balance limit.
5. Do any of your 529 plans/programs allow for joint ownership? Yes, the Arizona Family College Savings Program (*available in all 50 states*) allows for joint ownership with a spouse.

### 529 Investment Options

1. I have an 11 year old, going into 6th grade. What is your recommendation on age based 529s. We do not offer aged-based 529s. We do recognize that as children get closer to college, investments need to be more conservative. FDIC-insured 529 CDs are a smart way to save for college.
2. Are CDs your only option? We offer 3 CD options and a high yielding Honors Savings Account.

## **Additional Account Deposits**

1. Can more than one adult or anyone contribute to the account? Yes. A person need not be an account owner to contribute. Our robust Online Gifting portal allows account owners to invite family and friends to contribute for multiple occasions throughout the year—Social Gifting via Facebook was recently launched.
2. Do additional deposits reset the CD term or does it still remain the same? Yes. CD rates and terms are subject to change for any new CD purchases. Refer to our website for current CD terms and conditions. [www.collegesavings.com](http://www.collegesavings.com).
3. If we open a CD account with \$250, could we invest less than \$25 a month or skip a month if something unexpected comes up? Contributions are voluntary. While we accept contributions towards any new CD purchase at a low \$250, our ACH direct deposit minimum is \$25. Should you have an unforeseen circumstance and need to suspend a direct deposit, temporarily or permanently, you may do so without incurring a fee.
4. How do you accept additional deposits (monthly, annually, etc.)? We accept deposits by mail or online through Online Banking and Gifting portals, and e-Deposit options. Visit [www.collegesavings.com](http://www.collegesavings.com).

## **FDIC, Rates, Terms and Penalties**

1. Can I obtain more than \$250,000 of FDIC insurance coverage? Yes. For example, A child with two parents and four grandparents can obtain up to
2. \$1.5 million dollars in FDIC insurance with properly structured accounts. ( see our program Disclosure for details) For assistance, call 800-888-2723/888-913-2885- Are rates and terms disclosed on the website? Yes. Files are available for download from our website in the Literature and Forms section. Visit [www.collegesavings.com](http://www.collegesavings.com) or [www.collegechoicecd.com](http://www.collegechoicecd.com).
3. Does the 10% premature distribution penalty apply for non-qualifying expenses if withdrawn before 59½? Unlike retirement plans, there's no age restriction associated with distributions from 529 plans.

## **CollegeSure CD®**

1. Should the CD Maturities coincide with anticipated attendance at college or graduate school? Yes. Maturities are available from 1- to 22-years. CDs should be timed to mature the year your child attends school. In most cases, CDs are subject to early redemption penalties for withdrawals prior to maturity.
2. What interest rate will I earn? CollegeSure CDs pay interest annually on July 31 each year. The interest rate is equal to the prior year's college inflation rate as measured by the College Board's Independent College 500 (IC500) index change less an issue margin, and is subject to a maximum interest rate which is equal to the first year's interest rate plus an interest rate cap. The interest rate on the CollegeSure CD is reset annually on July 31 based on the change in the IC500 index. The issue margin and the interest rate cap are determined on the contribution date. *For the past 25 years, the annual college inflation rate as measured by the IC500 index has ranged from a high of 14.35% to a low of 4.15%. For the academic year 2013-2014, the IC500 index was 3.82%*

## **InvestorSure CD®**

1. How does the InvestorSure CD work? The InvestorSure CD is a variable rate certificate of deposit indexed to the Standard & Poor's® 500 Composite Stock Index (S&P 500®) and FDIC-insured up to \$250,000 for accounts held in the same right and capacity. Unlike many investments, the InvestorSure CD does not risk principal. Should the value of the S&P 500 decline over the investment period, you will receive your full investment back at maturity. Investments held to maturity will also receive at least 70 percent of the average increase in the S&P 500 based upon specific a formula. InvestorSure CDs are issued exclusively by College Savings Bank. While historical rates of return are never a guarantee of future performance - if the InvestorSure CD was available, the previous 80 maturing CDs would have produced an average annual percentage yield (APY) of 3.29%. For more information, view the InvestorSure CD Terms and Conditions.
2. What interest rate will I earn? You'll earn an interest rate tied to the average increase in the S&P 500 and based on a formula. The chart on the InvestorSure CD Rates tab illustrates the historical average annual percentage yield for each InvestorSure CD issued during the time periods noted. *At maturity on August 3, 2014, our InvestorSure CD has generated an investment return of 39.42% over the past 5- year period with an annual percentage yield earned of 6.87%*

## **Fixed Rate CD®**

1. How does the Fixed Rate CD work? Fixed Rate CDs earn a fixed rate for the entire term of the CD (1- and 3-years), determined at the time the CD is opened. The rate will appear on your deposit confirmation along with the annual percentage yield (APY). The minimum initial contribution is \$250. Subsequent contributions are also \$250. Additional contributions may not be made to existing CDs but may be made into an existing Account to purchase new CDs offered by College Savings Bank. If you do not intend to contribute \$250 at one time, you may contribute \$25 per month through direct deposits from your bank or brokerage account, or \$25 per pay period using payroll deduction. Direct deposit contributions or payroll deductions are held in an Accumulator Account until the balance of your Account reaches \$250. Once the funds reach the \$250 level, they are used to purchase a Fixed Rate CD.
2. What interest rate will I earn? The APY is published online, select the Rates tab for current rates. Account Owners will receive the published interest rate on the Contribution Date, except for online deposits where the Account Owner will receive the APY applicable at the time of the day when the online application and funding are complete. If you prefer to mail in a check to fund the CD, the Account will be opened at the applicable interest rate for the term selected on the Contribution Date.

## Honors Savings Account

1. How does the Honors Savings work? Honors Savings Accounts are issued by College Savings Bank. Contributions are credited to your Account as follows: 1.) Checks received for payroll deductions or rollover contributions from another state 529 plan received on or before 2:00 p.m. Eastern time, are credited to your account on the same business day. 2.) Rollover contributions by check received after 2:00 p.m. Eastern time is credited the next business day. 3.) Contributions by E-check are credited to your Account on the next business day. 4.) Automatic direct deposits are credited to your Account on the business day the funds are received.
2. What interest rate will I earn? Interest begins to accrue on the Contribution Date and is credited and compounded quarterly on January 31, April 30, July 31 and October 31. Interest is calculated using the daily balance method, which applies a daily periodic rate to the applicable principal in the Account each day. If you close your Account before interest is credited, you will receive the accrued interest.

### ***Important to Note:***

*The Arizona Family College Savings Program (AFCSP) is sponsored by the State of Arizona and administered by the Arizona Commission for Postsecondary Education (ACPE). College Savings Bank serves as a Program Manager for the AFCSP. College Savings Bank, as a Program Manager, supports all aspects of the day-to-day operations of the AFCSP, including marketing, recordkeeping and administrative support. The AFCSP offers College Savings Bank issued CDs and a savings account. CDs may be subject to early withdrawal penalties. Generally, contributions to and earnings on investments in the AFCSP are insured by the FDIC on a pass-through basis to each account owner, in the same right and capacity, up to the maximum amount set by federal law, currently \$250,000. Under the FDIC regulations, accounts that have the same owner and the same designated beneficiary will be combined for purposes of the \$250,000 limitation. Tax and other penalties may apply to non-qualified withdrawals from a AFCSP account. You should consult your financial, tax, or other adviser to learn how state-based benefits (or limitations) will apply to your specific circumstances. The AFCSP is not insured by the State of Arizona, nor is the principal and interest invested in the plan thereon guaranteed by the State of Arizona. For additional information, please refer to the Arizona Family College Savings Program Disclosure Statement.*

*CollegeChoice CD is administered by the Indiana Education Savings Authority. College Savings Bank (CSB) serves as the Program Manager and provides recordkeeping and administrative services. CSB has overall responsibility for the day-to-day operations, including marketing and distribution of CollegeChoice CD. Subject to certain limitations, CollegeChoice CD accounts are insured on a pass-through basis by the FDIC up to the maximum amount set by federal law, currently \$250,000. CDs may be subject to early withdrawal penalties. Tax and other penalties may apply to non-qualified withdrawals. CollegeChoice CD is not insured by the State of Indiana. Neither the principal invested nor the investment return is guaranteed by the State of Indiana. For additional information, please refer to the CollegeChoice CD Disclosure Statement.*

- College Savings Bank: [www.collegesavings.com](http://www.collegesavings.com)
- Arizona Family College Savings Program: [www.collegesavings.com/arizona](http://www.collegesavings.com/arizona)
- Indiana's CollegeChoice CD 529 College Savings Plan: [www.collegechoicecd.com](http://www.collegechoicecd.com)