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*Please file this Supplement to the AZ529, Arizona's Education Savings Plan – **Bank Plan** Disclosure Statement with your records.*

SUPPLEMENT DATED SEPTEMBER 2021 TO THE
AZ529, ARIZONA'S EDUCATION SAVINGS PLAN – Bank Plan (AZ529 – BANK PLAN)
DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This Supplement describes important changes and updates. Review this information carefully and keep it together with your current copy of the AZ529-Bank Plan Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement.

Accordingly, the following changes are made to the Program Description:

1. ***In the section titled "Contributing to Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10, as supplemented September 2020, is replaced with the following:***

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $519,000 (accurate and effective as of October 1, 2021) for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $519,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor. If you are enrolled in an ACH Plan, the ACH Plan will be discontinued.

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SUPPLEMENT DATED SEPTEMBER 2020 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM – BANK PLAN (AFCSP-BANK PLAN) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This Supplement describes important changes and updates. Review this information carefully and keep it together with your current copy of AFCSP-Bank Plan Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement. Capitalized terms used in this Supplement not otherwise defined have the same meaning as the term included in the Disclosure Statement.

IMPORTANT UPDATE

As of October 1, 2020, the following will become effective:

- **The Arizona State Board of Investment will become Trustee of the Trust, replacing the Arizona Commission for Postsecondary Education; and**
- **The Arizona State Treasurer's Office will become Administrator of the Arizona Family College Savings Program.**

After October 1, 2020, all references to the Trustee and the Arizona Commission for Postsecondary Education shall refer to the Arizona State Board of Investment and the Arizona State Treasurer's Office, respectively.

Accordingly, the following change is made to the Program Disclosure Statement:

1. ***In the section titled "Contributing to Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10 as supplemented August 2019 is replaced with the following:***

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $505,000 (accurate and effective as of October 1, 2020) for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $505,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor. If you are enrolled in an ACH Plan, the ACH Plan will be discontinued.

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*Please file this Supplement to the Arizona Family College Savings Program – **Bank Plan** Disclosure Statement with your records.*

SUPPLEMENT DATED JULY 2020 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM – BANK PLAN (AFCSP-BANK PLAN) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This Supplement describes important changes and updates. Review this information carefully and keep it together with your current copy of AFCSP-Bank Plan Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement. Capitalized terms used in this Supplement not otherwise defined have the same meaning as the term included in the Disclosure Statement.

SECURE ACT UPDATE

On December 20, 2019, the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) was signed into law. The SECURE Act amended Section 529 of the Code to permit withdrawals to pay for expenses for apprenticeship programs registered and certified with the Secretary of Labor under the National Apprenticeship Act (Apprenticeship Program Expenses) and to pay principal and interest on certain qualified education loans (Education Loan Repayments) for the Beneficiary or any of the Beneficiary's siblings. The loan repayment provisions apply to repayments up to a lifetime maximum of $10,000 per individual. The effective date of the SECURE Act is January 1, 2019.

Accordingly, the following change is made to the Program Disclosure Statement:

1. *The following question is added to the section entitled "**Frequently asked Questions**" starting on page **5** of the Disclosure Statement.*

Can I use my Account for Apprenticeship Program Expense and Education Loan Repayments?
Yes. On December 20, 2019, the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) was signed into law. The SECURE Act amended Section 529 of the Code to permit withdrawals from 529 plan accounts to pay Apprenticeship Program Expenses and to make Education Loan Repayments. Under Arizona law, contributions that will be used to pay Apprenticeship Program Expenses and, for the tax year beginning January 1, 2019 Education Loan Repayments, are eligible for the Arizona income tax deduction. For additional information, please see ***Certain State Tax Considerations*** starting on page 21.

2. *The following replaces in its entirety the paragraph entitled **"Meeting College Expenses Not Guaranteed"** on page **12** of the Disclosure Statement.*

Meeting Education Expenses Not Guaranteed. Even if you fund your Account(s) to the Maximum Account Balance, there is no assurance that the money in your Account will be sufficient to cover all the Qualified Expenses your Beneficiary may incur, or that the rate of return on your investment will match or exceed the rate at which Qualified Expenses may rise each year.

*3. The following is added at the beginning of the section entitled "**Federal Taxation of Distributions**" on page **20** of the Disclosure Statement.*

This section discusses the different ways you can withdraw funds from your Account. You can have a distribution paid directly to you, as Account Owner, to the Beneficiary, or to an Eligible Educational Institution.

This section also describes the difference between Qualified Distributions, Non-Qualified Distributions, and other types of withdrawals (for example, when the Beneficiary receives a scholarship, or is unable to attend school due to a Disability). There can be federal and state tax impacts for taking a withdrawal. It's important to discuss withdrawals with a tax advisor to ensure you understand your particular situation.

*4. The following replaces in its entirety the section entitled **"Procedures for Distributions"** on page **22** of the Disclosure Statement.*

Procedures for Distributions. Only the Account Owner may direct distributions from your Account. Qualified Distributions made payable to the Account Owner, the Beneficiary, or an Eligible Educational Institution may be requested online or by phone by providing verifying Account information upon request. Otherwise you may call Client Service at 1-800-888-2723 to receive a Distribution Request Form or download the form at www.collegesavings.com. In order for us to process a distribution request, you must complete and submit the distribution request form to us in good order and provide such other information or documentation as we may, from time to time, require.

We will generally process a distribution from an Account within 7-10 business days of accepting the request; or the first Exchange Business Day following maturity of the CD. Each CD Option also has specific notice requirements in order to request a distribution. See ***CD Option Profiles*** starting on page 14 of the Disclosure Statement for additional information.

*5. The following replaces in its entirety the section entitled "**Other Distributions**" as Supplemented July 2016 and on page **22** of the Disclosure Statement.*

Other Distributions. The distributions discussed below are not subject to the Distribution Tax. Except for a Rollover Distribution, the earnings portion of each distribution discussed will be subject to federal and to any applicable state income taxes. See **Certain Federal Tax Considerations: Transfers and Rollovers** on page **20**. In addition, these distributions may be subject to Early Withdrawal Penalties. You should consult a tax advisor regarding the application of federal and state tax laws if you take any of these distributions.

*6. The following is added after the paragraph titled "**Records Retention**" on page **23** of the Disclosure Statement.*

Refunded Distribution. You may avoid incurring federal income tax or a Distribution Tax if you receive a Refunded Distribution.

Education Loan Repayments. You may take a distribution from your Account to make an Education Loan Repayment for your Beneficiary or a sibling (defined in Section 152(d)(2)(B) of the Code) of your Beneficiary, up to a lifetime limit of $10,000 per individual. However, if you make an Education Loan Repayment from your Account, Section 221(e)(1) of the Code provides that you may not also take a federal income tax deduction for any interest included in that Education Loan Repayment.

It is important that you keep all records of your distributions. We do not separately report distributions made from your Account to make an Education Loan Repayment for a sibling of your Beneficiary.

*7. The following replaces in its entirety the paragraph entitled **"Method of Payment"** on page **23** of the Disclosure Statement.*

Method of Payment. We pay distributions as noted to the following payees:

- Account Owner (by check or by ACH to an established bank account);
- Beneficiary (by check or by ACH to an established bank account); or
- Eligible Education Institution (by check), and mailed to the address on file for the Account Owner.
- Any distribution taken to pay K-12 Tuition or an Education Loan Repayment will be made payable to the Account Owner only.

*8. The following replaces in its entirety the section entitled **"Claims; Disputes"** on page **26** of the Disclosure Statement.*

Claims; Disputes. All decisions and interpretations by the Plan Officials in connection with the operation of the Plan will be final and binding upon you, the Beneficiary, and any other person affected. Any claim by you or your Beneficiary against the Plan Officials, individually or collectively, with respect to your Account will be made solely against the assets in your Account. The obligations of College Savings Bank under your agreement with the Trust are monies received from you and earnings and/or losses from your Account investments, and neither you nor your Beneficiary will have recourse against the Plan Officials, collectively or individually, in connection with any right or obligations arising out of an Account. Assets in your Account are not an obligation of the State.

Your Accounts are not insured by the State and neither the principal deposited nor the investment return is guaranteed by the State of Arizona or Plan Officials. Opening an Account does not:

- guarantee that your Beneficiary will be accepted as a student by a particular elementary or secondary school, any Eligible Educational Institution, or apprenticeship program;
- guarantee that your Beneficiary will be permitted to continue as a student;
- establish Arizona residence for your Beneficiary;
- guarantee that your Beneficiary will graduate from any elementary or secondary school, any Eligible Educational Institution, or will complete any apprenticeship program
- guarantee that your Beneficiary will achieve any particular treatment under any applicable state or federal financial aid programs
- guarantee that amounts saved in your Account will be sufficient to cover the Qualified Expenses of your Beneficiary.

*9. The following definitions are added to the **"Glossary"** beginning on page **26** of the Disclosure Statement.*

Apprenticeship Program Expenses: Expenses for fees, books, supplies, and equipment required for the participation of a Beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50).

Education Loan Repayment: Amounts paid as principal or interest on a loan to pay certain higher education expenses as defined in Section 221(d) of the Code, of a Beneficiary or a sibling of a Beneficiary (up to a lifetime $10,000 limit per Beneficiary or sibling of a Beneficiary). For this specific purpose, a sibling is defined as a brother, sister, stepbrother or stepsister, as described in section 152(d)(2)(B) of the Code. For purposes of defining a sibling, the terms "brother" and "sister" include half-brothers and half-sisters and a legally adopted child or a foster child of an individual is treated as the child of that individual by blood. You cannot claim a federal income tax deduction for interest paid on a qualified education loan if you treat it as an Education Loan Repayment.

10. *The following definitions are replaced in their entirety in the **"Glossary"** as amended in the supplement dated **August 2018** and beginning on page **28** of the Disclosure Statement.*

Qualified Expenses: Qualified higher education expenses as defined in the Code generally include the following:

- tuition, fees and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
- certain costs of the room and board of a Beneficiary for any academic period during which the student is enrolled at least half-time at an Eligible Educational Institution;
- expenses for special needs Beneficiaries that are necessary in connection with their enrollment or attendance at an Eligible Educational Institution;
- expenses for the purchase of computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code), computer software (as defined in section 197(e)(3)(B) of the Code), or Internet access and related services, if the equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution;
- K-12 Tuition;
- Apprenticeship Program Expenses; and
- Education Loan Repayments.

11. *The following replaces paragraph number 24 of the section entitled **"Account Owner's Representations and Acknowledgements"** on page **29** of the Disclosure Statement.*

The Plan Officials, individually and collectively, do not guarantee that my Beneficiary will be accepted as a student by a particular elementary or secondary school, any institution of higher education, other institution of post-secondary education or apprenticeship program; if accepted, will be permitted to continue as a student; will be treated as a state resident of any state for Qualified Expenses purposes; will graduate from any elementary or secondary school, any institution of higher education or other institution of post-secondary education; will complete any apprenticeship program; or will achieve any particular treatment under any applicable state or federal financial aid programs; or guarantee any rate of return or benefit for contributions made to my Account. I understand that the Bank Plan is not designed to assist me in saving for K-12 Tuition or Education Loan Repayments.

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SUPPLEMENT DATED AUGUST 2019 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM – BANK PLAN (AFCSP-BANK PLAN) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This Supplement describes important changes and updates. Review this information carefully and keep it together with your current copy of AFCSP-Bank Plan Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement. Capitalized terms used in this Supplement not otherwise defined have the same meaning as the term included in the Disclosure Statement.

Accordingly, the following change is made to the Program Disclosure Statement:

1. ***In the section titled "Contributing to Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10 as supplemented August 2018 is replaced with the following:***

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $494,000 (accurate and effective as of October 1, 2019) for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $494,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor. If you are enrolled in an ACH Plan, the ACH Plan will be discontinued.

The Arizona Family College Savings Program-Bank Plan (AFCSP-Bank Plan) is sponsored by the State of Arizona and administered by the Arizona Commission for Postsecondary Education (ACPE). College Savings Bank, a Division of NexBank SSB serves as a Program Manager for the AFCSP-Bank Plan. As a Program Manager, College Savings Bank, a Division of NexBank SSB supports all aspects of the day-to-day operations of the AFCSP-Bank Plan, including marketing, recordkeeping and administrative support. The AFCSP-Bank Plan offers portfolios that invest in either a College Savings Bank, a Division of NexBank SSB issued FDIC-insured CD or a savings account. CDs may be subject to early withdrawal penalties. For additional information, please refer to the AFCSP-Bank Plan Disclosure Statement.

Neither the AFCSP-Bank Plan, nor the ACPE, nor NexBank SSB, nor other organizations participating in the program are providing tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

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SUPPLEMENT DATED AUGUST 2018 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM – BANK PLAN (AFCSP-BANK PLAN) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This Supplement describes important changes and updates. Review this information carefully and keep it together with your current copy of AFCSP-Bank Plan Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement. Capitalized terms used in this Supplement not otherwise defined have the same meaning as the term included in the Disclosure Statement.

Accordingly, the following change is made to the Program Disclosure Statement:

1. ***In the section titled "Contributing to Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10 as supplemented September 2017 is replaced with the following:***

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $476,000 (accurate and effective as of October 1, 2018) for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $476,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor. If you are enrolled in an ACH Plan, the ACH Plan will be discontinued.

FEDERAL TAX REFORM

On December 22, 2017, the federal tax reform bill H.R. 1 was signed into law. Sections of this new law made changes to existing 529 internal revenue code which, effective with the 2018 tax year, permits aggregate withdrawals from 529 college savings accounts up to $10,000 each year, per beneficiary, for tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private or religious school ("K-12 tuition"). Account owners can withdraw assets to pay K-12 tuition and treat the withdrawals as qualified expenses for federal tax purposes. For Arizona residents, all qualified withdrawals, including K-12 expenses previously described, are free from Arizona state income tax. Additionally, the new law also permits funds in 529 Plan accounts can be rolled over to ABLE Plan accounts without federal tax consequences, up to the annual $15,000 contribution limit. Arizona state tax law conforms to the new federal tax law in its treatment of rollovers from an Arizona 529 Plan account to an ABLE Plan account. Account Owners are encouraged to consult with a qualified tax advisor regarding their personal circumstances.

IRS Increases Annual Federal Gift Tax Exclusion

Pursuant to recent changes in federal law, contributions to an Account are considered a gift from the contributor to the Beneficiary that is eligible for the annual gift tax exclusion. For 2017, the annual exclusion was $14,000 per donee. For 2018, the annual exclusion is increasing to $15,000 per donee. A married donor whose spouse elects on a United States Gift Tax Return Form 709 to "split" gifts with his or her spouse could contribute up to $28,000 in 2017 and up to $30,000 in 2018.

In addition, you may elect to have the amount you contributed in any calendar year treated as though you made one-fifth of the Contribution that year and one-fifth of the Contribution in each of the next four calendar years. (Such an election, however, must be made on the United States Gift Tax Return Form 709). This means that you could contribute up to $70,000 to an Account in 2017, or up to $75,000 beginning in 2018, without the Contributions being considered a taxable gift, provided that you make no other gifts to the Beneficiary in the same year or in any of the succeeding four calendar years.

Moreover, a married contributor whose spouse elects on a United States Gift Tax Return Form 709 to "split" gifts with his or spouse may contribute up to $140,000 in 2017 or $150,000 beginning in 2018 without the Contribution's being considered a taxable gift, provided that neither spouse makes any other gifts to the Beneficiary in the same year or in any of the succeeding four calendar years.

Rollovers to ABLE Programs

Pursuant to recent changes in federal law, effective for periods prior to January 1, 2026, you may direct a transfer of money from your Account to an ABLE account (as defined in section 529A(e)(6)) of the Beneficiary or a member of the family of the Beneficiary, subject to the contribution limits for ABLE accounts. Alternatively, you may make a withdrawal from your Account and re-deposit the withdrawn balance within 60 days into an ABLE account subject to the limitations described in the immediately preceding sentence. Such amounts would count towards the overall limitations on contributions to an ABLE account within a tax year. You should consult your tax advisor regarding your individual situation.

Qualified Higher Education Expenses Expanded to Include K-12 Tuition

Pursuant to recent changes in federal law, the list of qualified higher education expenses has been expanded to include K-12 tuition expenses in connection with enrollment or attendance at an elementary or secondary public, private, or religious school; effective for distributions made after December 31, 2017. The amount of cash distributions from all qualified tuition programs with respect to a beneficiary during any taxable year shall, in the aggregate, include not more than $10,000 in expenses for tuition incurred during the taxable year in connection with the enrollment or attendance of the beneficiary as an elementary or secondary public, private, or religious school student.

Accordingly, the following changes are made to the Program Description:

1. ***The following definitions <u>are added</u> to the Glossary beginning on page 26 of the Disclosure Statement.***

ABLE Rollover Distribution: A distribution to an account in a Qualified ABLE Program for the same Beneficiary or a Member of the Family of the Beneficiary. Any distribution must be made before January 1, 2026 and cannot exceed the annual $15,000 contribution limit prescribed by Section 529A(b)(2)(B)(i) of the Code.

Qualified ABLE Program: A program designed to allow individuals with disabilities to save for qualified disability expenses. Qualified ABLE Programs are sponsored by states or state agencies and are authorized by Section 529A of the Code.

Qualified K-12 Expense or K-12 Tuition: Qualified elementary and secondary tuition expenses as defined in the Code and in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. Tuition expenses of up to $10,000 per beneficiary in connection with enrollment at a public, private, or religious elementary or secondary educational institution.

Because the $10,000 annual limit on the amount treated as Qualified Higher Education Expenses applies in the aggregate to all withdrawals from all 529 accounts designating the same beneficiary, irrespective of who owns the account, if you are aware of any other 529 accounts with the same designated beneficiary, you should coordinate with the owner of any such other account and with your tax advisor as to which withdrawals will be treated as Qualified Higher Education Expenses.

Qualified K-12 Expense Distribution: A withdrawal from the Bank Plan used to pay Qualified K-12 Expense.

2. ***In the section titled GLOSSARY, the subsection "Qualified Expenses" on page 28 of the Disclosure Statement is replaced with the following:***

Qualified Expenses: Qualified higher education expenses as defined in the Code and generally include the following:

- Tuition, fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
- Certain costs of room and board of a Beneficiary for any academic period during which the Beneficiary is enrolled at least half-time at an Eligible Educational Institution;
- Expenses for "special needs" services needed by a special needs Beneficiary which must be incurred in connection with the Beneficiary's enrollment or attendance at an Eligible Educational Institution;
- Expenses for the purchase of computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code), computer software (as defined in section 197(e)(3)(B) of the Code), or Internet access and related services, if the equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution; and
- Qualified K-12 Expenses.

3. ***In the section titled GLOSSARY, the subsection "Non-Qualified Distributions" on page 28 of the Disclosure Statement is replaced with the following:***

Non-Qualified Distributions: A distribution from an Account that is <u>not one of the following</u>:

- A Qualified Distribution;
- A distribution paid to a beneficiary of the Beneficiary (or the estate of the Beneficiary) on or after the death of the Beneficiary;
- A distribution by reason of the Disability of the Beneficiary;
- A distribution included in income because the Beneficiary received (i) a tax-free scholarship or fellowship; (ii) Veterans' education assistance; (iii) Tuition Assistance; or (iv) any other nontaxable (tax-free) payments (other than gifts or inheritances) received as education assistance (to the extent the amount withdrawn does not exceed the amount of the scholarship);
- A distribution by reason of the Beneficiary's attendance at certain specified military academies;
- A distribution resulting from the use of Education Credits as allowed under federal income tax law;
- A Rollover Distribution to another Qualified Tuition Program; or
- A Qualified K-12 Expense Distribution.

CHANGES TO THE BANK PLAN DISCLOSURE STATEMENT

1. ***The section entitled COLLEGESURE® CD beginning on page 15 of the Disclosure Statement (subsequently supplemented September 2016) is updated in the following sections:***

   Interest Rate. CollegeSure® CDs pay interest each year they remain outstanding. The interest rate was established July 31, 2017, and serves as the Floor Rate for the remaining term of the CollegeSure® CD. Your Floor Rate will never be less than zero percent.

   The interest rate will adjust each August 1 based upon the prior year rate and the change in the July 31 college inflation rate, as measured by the College Board's Independent College 500® Index (IC 500®) subject to the Floor Rate. The IC 500® index is published online at www.collegesavings.com.

   Annual Percentage Yield (APY). The APY of each CollegeSure® CD is the greater of the Floor Rate or the prior year interest rate adjusted by the change in the July 31 college inflation rate as measured by the IC 500®. Under certain college inflation scenarios, you may receive a higher interest rate in the future as a result of the Conversion. If the college inflation rate decreases, your APY will not go below your Floor Rate. If the college inflation rate increases, your APY will increase accordingly. The maximum interest rate cap on all CollegeSure® CDs was eliminated October 24, 2016.

   Early Withdrawal. Upon 30 days prior written notice, you may take a Qualified or Non-Qualified Distribution, in whole or in part prior to the Maturity Date. No penalty will be imposed for early withdrawals on or prior to October 31, 2019. All principal withdrawals taken after the penalty-free period (October 31, 2019), are subject to an Early Withdrawal Penalty equal to 5% of the principal amount withdrawn.

   In the final year of a CollegeSure® CD, the Early Withdrawal Penalty is 1% of principal withdrawn. An early withdrawal will reduce earnings. We retain the right to terminate a CollegeSure® CD if the withdrawal of principal from the CD would result in a balance of less than $250.

   In addition to an Early Withdrawal Penalty, if the withdrawal is a Non-Qualified Distribution, you may also be subject to the Distribution Tax.

   Lifetime APY assumes interest remains on deposit until maturity.

2. ***The section entitled COLLEGESURE® HONORS SAVINGS supplemented September 2016 (originally titled ACCOUNT ACCUMULATOR ACCOUNT AND SAVINGS ACCOUNT TERMS AND CONDITIONS on page 19 of the Disclosure Statement) is updated in the following section:***

   Interest Accrual, Compounding and Crediting. Interest begins to accrue on the Contribution Date and is credited and compounded quarterly. 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.

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SUPPLEMENT DATED SEPTEMBER 2017 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM – BANK PLAN (AFCSP-BANK PLAN) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

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Accordingly, the following change is made to the Program Disclosure Statement:

1. ***In the section titled "Contributing to Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10 as supplemented September 2016 is replaced with the following:***

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $453,000 (accurate and effective as of October 1, 2017) for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $453,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor. If you are enrolled in an ACH Plan, the ACH Plan will be discontinued.

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SUPPLEMENT DATED SEPTEMBER 2016 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM – BANK PLAN (AFCSP-BANK PLAN) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

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Arizona Family College Savings Program – Bank Plan Recordkeeping Updates. On or about October 24, 2016, we will convert (Conversion) our recordkeeping and online account access systems to offer Account Owners more features that will improve and simplify the 529 savings plan experience. The conversion will take place Friday, October 21, 2016, at 6PM EST and will be completed at 9AM EST on October 24, 2016. This Supplement outlines the changes and upcoming key dates to be aware of during this Conversion.

Account Owners of multiple CollegeSure® CDs. Account Owners with more than one (1+) CollegeSure® CDs for the same Beneficiary, maturing within the same maturity year, will see a consolidation within their CD accounts into one (1) new CollegeSure® CD per maturity year. As of the Conversion Date, the new starting annual percentage yield (APY) (Conversion Date APY) is a calculated weighted-average which takes into account the balance ($) of each individual CollegeSure® CD and its related current year APY (%) within that maturity year.

The Conversion Date APY will become your new minimum or floor interest rate floor rate (Floor Rate) resulting in the same interest rate (or better in some cases) had the consolidation not occurred. The yield on your CollegeSure® CD will never be less than the Floor Rate. The new CollegeSure® CD will be adjusted annually on each July 31 based upon the change in college inflation as measured by the College Board's Independent College 500® Index (IC 500®). If the college inflation rate decreases, your APY will not go below your Conversion Date APY. If the college inflation rate increases, your APY will increase accordingly. On the Conversion Date, we will also eliminate the maximum interest rate cap on all CollegeSure® CDs.

Account Owners of a single CollegeSure® CD within a maturity year. Your account APY will remain unchanged at October 24, 2016. As of the Conversion Date, your existing APY will become your new Floor Rate. Under certain college inflation scenarios, you may receive a higher interest rate in the future as a result of the Conversion. If the college inflation rate decreases, your APY will not go below your Conversion Date APY. If the college inflation rate increases, your APY will increase accordingly. On the Conversion Date, we will also eliminate its Interest Rate Cap on its CollegeSure® CD accounts.

Account Owners of multiple Legacy CollegeSure® CD within a maturity year. *(Legacy CollegeSure® CDs are CollegeSure® CDs purchased prior to March 1, 2011).* Legacy CollegeSure® CDs will go through the same consolidation process as other CollegeSure® CDs on October 24, 2016. Account Owners with more than one (1+) Legacy CollegeSure® CDs for the same Beneficiary, maturing within the same maturity year, will see a consolidation within their CD accounts into one (1) new Legacy CollegeSure® CD per maturity year.

Since the Legacy CollegeSure® CD's interest rate is tied to the next July 31 College Board IC 500® rate (i.e. July 31, 2017), CSB will provide you with the interest rate that will be in effect for the year period August 1, 2016, through July 31, 2017, on the date that the College Board releases the IC 500® (July 31, 2017).

Similar to the non-Legacy CollegeSure® CDs, you will receive an interest rate at least equal to what your account would have received had the consolidation not occurred. Under certain college inflation scenarios, you may receive a higher interest rate in the future as a result of this consolidation.

Account Owners of a single Legacy CollegeSure® CD within a maturity year. *(Legacy CollegeSure® CDs are CollegeSure® CDs purchased prior to March 1, 2011).* Your account APY will remain unchanged at October 24, 2016. As of the Conversion Date, your existing APY will become your new Floor Rate. Under certain college inflation scenarios, you may receive a higher interest rate in the future as a result of the Conversion. Legacy CollegeSure® CD Accounts do not have an interest rate cap.

Options for your existing CollegeSure® CD Account after the Conversion. Following the Conversion, we will waive the early withdrawal penalty for CollegeSure® CDs withdrawn within 18 months after the Conversion date (October 24, 2016). Any withdrawals made after 18 months of the Conversion date (October 24, 2016) will be subject to the Early Withdrawal Penalty. Please contact a Client Service Representative at 800.888.2723 for more information.

Federal law permits you to move existing Account assets to a different mix of CD Options up to two times each calendar year – or whenever you change the Beneficiary of your Account. Because this transition is a program-initiated change, it will not be considered as one of your twice-per-year permitted CD Option exchanges.

You may continue to exercise all rights with respect to your Accounts until 6PM EST on October 20, 2016. At which time a suspension of certain transactions will begin as detailed in the Key Conversion Dates table below. You will remain invested in your CD Options (except if, as described above, your CollegeSure® CDs are consolidating) but will have limited access and ability to conduct transactions until the completion of the Conversion at 9AM EST on October 24, 2016.

Additionally, you will not be able to initiate electronic transactions after midnight EST on October 20, 2016 until 9AM EST on October 24, 2016. However, you will continue to receive your interest rate and APY on your CD products during the Conversion.

KEY CONVERSION DATES:

Date	Action
Ongoing through 6PM EST on Friday, October 21, 2016	Continue to contact Client Service Representatives at 800.888.2723.
Thursday, October 20, 2016	• Electronic Transactions (online, fax, ACH, payroll deductions) received by midnight EST on Thursday October 20, 2016 will be processed on Friday October 21, 2016. Requests received after this time will be processed beginning on October 24, 2016 at 9AM EST. • Mailed-in Transactions (Enrollments, Deposits) will be processed until 6PM EST on Thursday, October 20, 2016.
Friday, October 21, 2016	All Account Owners will be able to access their Accounts online until 6PM EST.
Monday, October 24, 2016	• Starting at 9AM EST, Client Service Representatives can be reached at 800.888.2723 and all Account Owners will be able to conduct all transactions on their Accounts. • All Account Owners will be able to set up new Account access at www.collegechoicecd.com.

Week of October 24, 2016	All Account Owners will receive a statement showing their pre-Conversion activity. If you are a CollegeSure® CD Account Owner, your statement will also show your new Floor Rate. The APY for all other products will be shown at the time interest is credited—quarterly for savings accounts, annually for Fixed Rate CDs and CollegeSure® CDs, and at maturity for InvestorSure® CDs.
Week of October 31, 2016	All Account Owners will receive an opening monthly statement and a description of the statement changes.

Accordingly, the following changes are made to the Program Disclosure Statement:

1. ***In the section titled "Contributing to Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10 as supplemented October 2015 is replaced with the following:***

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $431,000 (accurate as of October 1, 2016) for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $431,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor. If you are enrolled in an ACH Plan, the ACH Plan will be discontinued.

2. ***The section entitled CD OPTION PROFILES on page 14 of the Disclosure Statement is replaced in its entirety as follows:***

The following profiles highlight the investment objective and strategy of each CD option and Savings Account.

Issuer. All CDs and savings account are issued by College Savings Bank, a Division of NexBank SSB (CSB). CSB's deposits are insured up to applicable statutory limits by the FDIC. Each CD is governed by the statutes, rules and regulations of the State of Texas and the FDIC.

FDIC Insurance. Your principal and accrued interest on a CD, for FDIC deposit insurance purposes, will be added to any other deposit accounts you hold at CSB in the same right and capacity and will be insured by the FDIC up to $250,000 in the aggregate. For this purpose, all Accounts with the same Account Owner will be deemed to be held in the same right and capacity and will be combined for purposes of this $250,000 limitation. FDIC deposit insurance is backed by the full faith and credit of the U.S. Government. Separate deposit insurance for accounts with the same Account Owner and Beneficiary may also be available in certain limited circumstances.

3. ***The section entitled COLLEGESURE CD beginning on page 15 of the Disclosure Statement is replaced in its entirety as follows:***

Effective October 21, 2016, we will no longer offer CollegeSure® CDs. CollegeSure® CDs issued prior to October 21, 2016, will remain outstanding until their stated maturity dates under the terms and conditions detailed below.

Product. CollegeSure® CDs are variable rate CDs indexed to the college inflation rate as measured by the College Board's Independent College 500® Index (IC 500®). The variable rate is subject to the Floor Rate. On October 24, 2016 (Conversion Date), all CollegeSure® CDs issued to an Account Owner for the same Beneficiary will be consolidated into one CollegeSure® CD based upon maturity year within each applicable Account.

Maturity Date. The maturity date of each CollegeSure® CD is July 31 of the year in which the CD matures.

Interest Rate. CollegeSure® CDs pay interest each year they remain outstanding. The interest rate for each CollegeSure® CD will be initially established at Conversion Date based on the weighted-average interest rate of all CollegeSure® CDs with the same maturity year within an Account. This new interest rate will be in effect for the period October 23, 2016, through July 31, 2017, and will serve as the CD's minimum APY (Floor Rate) for the remaining term of the new CollegeSure® CD. The interest rate will adjust each August 1 thereafter based upon the prior year rate and the change in the July 31 college inflation rate, as measured by the College Board's Independent College 500® Index (IC 500®) subject to the Floor Rate established at Conversion Date. The IC 500® index is published online at www.collegesavings.com/Arizona.

Annual Percentage Yield (APY). The APY of each CollegeSure® CD is the greater of the Floor Rate or the prior year interest rate adjusted by the change in the July 31 college inflation rate as measured by the IC 500®. The APY may change after the Conversion Date and can be zero percent. Under certain college inflation scenarios, you may receive a higher interest rate in the future as a result of the Conversion. If the college inflation rate decreases, your APY will not go below your Conversion Date APY. If the college inflation rate increases, your APY will increase accordingly. On the Conversion Date, we will also eliminate the maximum interest rate cap on all CollegeSure® CDs.

Accrual, Crediting and Compounding. Interest is calculated using the daily balance method which applies a daily periodic rate to the principal in the Account each day. Interest on each CollegeSure® CD is compounded and credited annually each July 31. No interest will be earned after the Maturity Date.

Options at Maturity. The CollegeSure® CD does not automatically renew. We provide written notification at least 60 days before the Maturity Date. You must provide written instructions at least 30 days prior to the Maturity Date if you would like the proceeds upon maturity of the CollegeSure® CD to be invested other than in accordance with the default action described in this document. If you provide instructions in good order, funds will be disbursed from your Account no later than the first Business Day following the Maturity Date.

If we do not receive instructions, at maturity it will take the following Default Action:

- We will automatically transfer matured funds into a CollegeSure® Honors Savings Account (Honors Savings Account) until you provide distribution or other investment instructions.

Alternatively, you may choose one of the following options at maturity:

- Transfer the matured funds to a Fixed Rate CD;
- Rollover the matured funds to another qualified 529 program. A transfer of matured funds into another product is considered an investment change; or
- Take a Qualified or Non-Qualified Distribution of the funds.

Please note, any actions other than taking a Qualified or Non-Qualified Distribution or a default action stated above could be considered one of your two allowable calendar year investment exchanges and could, therefore be subject to the restrictions described in **Maintaining and Making Changes to Your Account** starting on page **23**.

Early Withdrawal. Upon 30 days prior written notice, you may take a Qualified or Non-Qualified Distribution, in whole or in part prior to the Maturity Date. All principal withdrawals taken, after 18 months of the Conversion date, are subject to an Early Withdrawal Penalty equal to 5% of the principal amount withdrawn. In the final year of a CollegeSure® CD, the Early Withdrawal Penalty is 1% of principal withdrawn. An early withdrawal will reduce earnings. We retain the right to terminate a CollegeSure® CD if the withdrawal of principal from the CD would result in a balance of less than $250.

In addition to an Early Withdrawal Penalty, if the withdrawal is a Non-Qualified Distribution, you may also be subject to the Distribution Tax.

Lifetime APY assumes interest remains on deposit until maturity.

ACH Plan and Payroll Deduction. Effective October 24, 2016, if you contribute to the Accumulator Account through an ACH Plan and/or payroll deduction, all balances from your Accumulator Account will be transferred to the Honors Savings Account. Your ACH Plan and/or payroll deduction will continue uninterrupted and will be contributed to your new Honors Savings Account. Effective October 24, 2016, we will no longer offer new CollegeSure® CDs as a CD Option and you, therefore, cannot use funds from your Honors Savings Account to purchase new CollegeSure® CDs. However, the Honors Savings Account can be used to purchase new Fixed Rate CDs.

The change from an Accumulator Account to the Honors Savings Account is a program-initiated change and will not, therefore, be considered one of your twice-annual investment exchanges. See **CollegeSure® Honors Savings Account** for additional information.

4. The section entitled INVESTORSURE CD beginning on page 16 of the Disclosure Statement is replaced in its entirety as follows:

Effective August 2, 2016, we will no longer offer InvestorSure® CDs. InvestorSure® CDs issued prior to August 2, 2016, will remain outstanding until their stated maturity dates under the terms and conditions detailed below.

Product. InvestorSure® CD is a five-year variable rate CD product, indexed to the performance of Standard & Poor's® 500 Composite Stock Index (S&P 500®).

Maturity Term. The term for an InvestorSure® CD is five years (60 months) from the Issue Date. The Maturity Date is the first NYSE Exchange Business Day of the month that is five (5) years from the Issue Date. For example, if a certificate was issued on February 1, 2016, the CD will mature on February 1, 2021.

Interest Rate and Annual Percentage Yield (APY). The interest rate and APY are not determined until maturity of the InvestorSure® CD. The APY is the annualized investment return over the life of the InvestorSure® CD. It assumes that the Account Owner holds the InvestorSure® CD until maturity. As the investment return can be zero, CSB does not guarantee any positive APY. In addition, early withdrawal will diminish earnings. See **InvestorSure® CD: Early Withdrawal** starting on page **18** of the Disclosure Statement.

Options at Maturity. The InvestorSure® CD does not automatically renew. We will provide written notification at least 60 days before the Maturity Date. You must provide written instructions at least 30 days prior to the Maturity Date if you would like the proceeds upon maturity of the InvestorSure® CD to be invested other than in accordance with the default action described below. If you provide instructions in good order, funds will be disbursed from your Account no later than the first Business Day following the Maturity Date.

If we do not receive instructions at maturity, it will take the following Default Action:

- We will automatically transfer matured funds into an Honors Savings Account until you provide distribution or other investment instructions.

Alternatively, you may choose one of the following options at maturity:

- Transfer the matured funds to a Fixed Rate CD;
- Rollover the matured funds to another qualified 529 program. A transfer of matured funds into another product is considered an investment change; or
- Take a Qualified or Non-Qualified Distribution of the funds.

Please note any actions other than taking a Qualified or Non-Qualified Distribution or a default action stated above could be considered one of your two allowable calendar year investment exchange as per 529 plan rules. Therefore, subject to restrictions described in **Maintaining and Making Changes to Your Account** on page **23**.

Market Measure. The Market Measure for the InvestorSure® CD is the S&P 500®. This index is published by Standard and Poor's, a division of The McGraw-Hill Companies, Inc. It is a widely used index to indicate the movement in common stock prices. The stocks that comprise the S&P 500® account for approximately 75% of the United States equities market, based on market capitalization. For additional information on the S&P 500®, visit www.collegesavings.com/Arizona.

Investment Return. The investment return is computed as the difference between the Closing Market Value (CMV) and the Starting Market Value (SMV) divided by SMV and then multiplied by the Market Participation Factor (MPF), which is represented by the following equation:

$$\frac{(\mathrm{CMV} - \mathrm{SMV}) \times \mathrm{MPF}}{\mathrm{SMV}}$$

Closing Market Value (CMV). The CMV is the arithmetic average of the closing value of the S&P 500® on the Valuation Dates. The Valuation Dates are the Exchange Business Days coinciding with 20 quarterly observations between Issue Date and Maturity Date. For example, if the day of the month of the SMV is January 27, 2011, the Valuation Dates will include each April 27, July 27, October 27, and January 27 between the SMV Date and the Maturity Date. If the exact day of the month is not an Exchange Business Day, the Valuation Date that month is the first preceding Exchange Business Day.

Starting Market Value (SMV). The SMV is the closing value of the S&P 500® three (3) Exchange Business Days prior to the Issue Date. For example, a CD issued on February 1, 2016 has an SMV equal to the closing value of the S&P 500® on January 27, 2016.

Market Participation Factor (MPF). The MPF is the percentage of S&P 500® investment return you will receive. The MPF for your contribution is determined on the Issue Date. The current MPF is 70%. CSB, in its sole discretion, may establish a MPF higher than 70% for future issuances; however, your decision to invest in the InvestorSure® CD should be based on the assumption that the MPF will be 70%. To the extent the investment return on an InvestorSure® CD is positive, a 70% MPF will result in a lower investment return compared to a 100% MPF.

The above formula for calculating investment return assumes that the Account Owner does not take a distribution prior to maturity, and is not applicable for early withdrawals.

ACH Plan and Payroll Deduction. Effective October 24, 2016, if you contribute to the Accumulator Account through an ACH Plan and/or payroll deduction, all balances from your Accumulator Account will be transferred to the new Honors Savings Account. Your ACH Plan and/or payroll deduction will continue uninterrupted and will be contributed to your new Honors Savings Account. Effective August 2, 2016, we will no longer offer new InvestorSure® CDs as a CD Option and you, therefore, cannot use funds from your Honors Savings Account to purchase new InvestorSure® CDs. However, the Honors Savings Account can be used to purchase new Fixed Rate CDs.

The change from an Accumulator Account to the Honors Savings Account is a program-initiated change and will not, therefore, be considered one of your twice-annual investment exchanges. See **CollegeSure® Honors Savings Account** for additional information.

The following table illustrates how the investment return would be calculated by using historical data and assuming that a five-year InvestorSure® CD was issued on August 1, 2011 and matured on August 1, 2016.

Issue Date	Maturity Date	Valuation Date	S&P Close Value
8/1/11 (SMV)	8/1/16	7/27/11*	1,304.89
1st Valuation Date		10/27/11	1,284.59
2nd Valuation Date		1/27/12	1,316.33
3rd Valuation Date		4/27/12	1,403.36
4th Valuation Date		7/27/12	1,385.97
5th Valuation Date		10/26/12	1,411.94
6th Valuation Date		1/25/13	1,502.96
7th Valuation Date		4/26/13	1,582.24
8th Valuation Date		7/26/13	1,691.65
9th Valuation Date		10/25/13	1,759.77
10th Valuation Date		1/27/14	1,781.56
11th Valuation Date		4/25/14	1,863.40
12th Valuation Date		7/25/14	1,978.34
13th Valuation Date		10/27/14	1,961.63
14th Valuation Date		1/27/15	2,029.55
15th Valuation Date		4/27/15	2,108.92
16th Valuation Date		7/27/15	2,067.64
17th Valuation Date		10/27/15	2,065.89
18th Valuation Date		1/27/16	1,882.95
19th Valuation Date		4/27/16	2,095.15
20th Valuation Date		7/27/16	2,166.58

*7/27/11 indicates the starting market value.

Total S&P Close Value: 35,340.42 **Divided by Number of Valuation Dates:** 20 **CMV:** 1,767.02

Investment Return:

$$\frac{70\% \times (1{,}767.02 - 1{,}304.89)}{1{,}304.89} = 24.79\%$$

APY = $(1 + 24.79\%)^{1/5} - 1 = 4.53\%$

Impact of Averaging. The CMV is not determined by calculating the closing value of the S&P 500® on any particular day (such as the Maturity Date or the last Valuation Date). The CMV is determined by averaging the closing value of the S&P 500® over the 20 quarterly observations between SMV and the CMV of the InvestorSure® CD. This method moderates fluctuations in the value of the S&P 500®. Thus, the investment return on an InvestorSure® CD is different than the investment return that would be obtained if the CMV were the value of the S&P 500® on a single day.

Thus, the investment return on an InvestorSure® CD is different than the investment return that would be obtained if the CMV were the value of the S&P 500 on a single day. If the value of the S&P 500 on the last Valuation Date is lower than the previous 19 Valuation Dates, then the investment return will be higher by using averaging compared to an investment return using only the S&P 500 value on the last Valuation Date. Conversely, if the value of the S&P 500 on the last Valuation Date is higher than the previous 19 Valuation Dates, then the investment return may be lower by using averaging compared to an investment return using only the S&P 500 value on the last Valuation Date

Upside Payment. At maturity, you may receive an Upside Payment on the InvestorSure® CD. The Upside Payment will be the investment return multiplied by the principal amount of the InvestorSure® CD. If there is no change, or if there is a decrease, in the Market Measure from SMV to the CMV, you will not be paid an Upside Payment. CSB does not guarantee an APY, and offers no warranties, either express or implied, that the InvestorSure® CD will result in any Upside Payment. If the CD is withdrawn prior to maturity, you will not receive any Upside Payment.

Early Withdrawal. Upon 30 days prior written notice, you may take a Qualified or Non-Qualified Distribution, in whole or in part, only on the anniversary date of the InvestorSure® CD's Issue Date. Withdrawals prior to the Maturity Date are subject to an Early Withdrawal Penalty equal to 10% of the principal of the InvestorSure® CD.

You will also forfeit any Upside Payment, which is determined upon maturity. We retain the right to terminate an InvestorSure® CD if the withdrawal of principal from the CD would result in a balance of less than $250.

In addition to an Early Withdrawal Penalty, if the withdrawal is a Non-Qualified Distribution, you may also be subject to the Distribution Tax.

5. The section entitled FIXED RATE CD on page 18 of the Disclosure Statement is replaced in its entirety as follows:

Product. Fixed Rate CDs earn a fixed rate for the entire term of the CD, determined at the time the CD is opened. The rate and annual percentage yield (APY) will appear on your deposit confirmation.

Maturities Available:

- 1-year Fixed Rate CD (12 month maturity)
- 2-year Fixed Rate CD (24 month maturity)
- 3-year Fixed Rate CD (36 month maturity)

Minimum Contribution Amounts; ACH and Payroll Deductions. The minimum initial contribution for a Fixed Rate CD is $250. Additional contributions of $25 may be made to existing CDs under the same terms and conditions as the original CD. Additionally, the maturity date of any additional contributions will match the maturity date of the existing CD. If you do not intend to contribute $250 to your Account at the time of enrollment, you may contribute $25 per month to the Honors Savings Account using an ACH Plan or $25 per pay period using payroll deduction. The APY of the Fixed Rate CD you purchase will be the APY offered as of the Contribution Date of your initial $25 contribution.

Interest Rate and Annual Percentage Yield (APY). The interest rate and APY are published online at www.collegesavings.com/Arizona. Account Owners will receive the published interest rate on the Contribution Date, except for online contributions where the Account Owner will receive the interest rate applicable at the time of the day when the online application and funding are complete. Additional contributions to existing CDs will earn the same interest rate and APY as the original CD. 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.

Accrual, Crediting and Compounding. Interest begins to accrue on your account on the Contribution Date and is compounded on a daily basis using the daily balance method to calculate the interest on your account. This method applies a daily periodic rate calculated by dividing the interest rate by three hundred sixty-five (365), even in leap years. Interest is compounded and credited to your Account annually and paid upon maturity of the CD. No interest will be earned after maturity unless the CD is renewed for another term.

ACH Plan and Payroll Deduction. Effective October 24, 2016, if you contribute to the Accumulator Account through an ACH Plan and/or payroll deduction, all balances from your Accumulator Account will be transferred to your selected Fixed Rate CD, as per your Enrollment instructions. Your ACH Plan and/or payroll deduction will continue uninterrupted.

Options at Maturity. We will provide written notification at least 60 days before the Maturity Date. Thereafter, you must provide written instructions at least 30 days prior to the Maturity Date if you would like the proceeds upon maturity of the Fixed Rate CD to be invested other than in accordance with the default actions described in this document. If you provide instructions in good order, funds will be disbursed from your Account no later than the first Business Day following the Maturity Date.

If we do not receive instructions at maturity, we will take the following default action:

- We will automatically renew the Fixed Rate CD for the same term as the original CD at the then-current rate of interest.

Alternatively, you may choose one of the following options at maturity:

- Transfer the matured funds to a new Fixed Rate CD or an Honors Savings Account;
- Rollover the matured funds to another qualified 529 program. A transfer of matured funds into another product is considered an investment change; or
- Take a Qualified or Non-Qualified Distribution of the funds.

Please note, for 529 plans, any actions other than taking a Qualified or Non-Qualified Distribution or a default action stated above could be considered one of your two allowable calendar year investment exchange as per 529 plan rules. Therefore, subject to restrictions described in **Maintaining and Making Changes to Your Account** on page **23**.

Early Withdrawal. Early Withdrawal. Upon 30 days prior written notice, you may take a Qualified or Non-Qualified Distribution, in whole or in part. Withdrawals prior to the Maturity Date are subject to an Early Withdrawal Penalty equal to three (3) months of interest. The APY applied to a Fixed Rate CD assumes the funds remain on deposit until the Maturity Date. An early withdrawal will reduce earnings.

In addition to an Early Withdrawal Penalty, if the withdrawal is a Non-Qualified Distribution, you may also be subject to the Distribution Tax.

6. The section entitled ACCUMULATOR ACCOUNT AND SAVINGS ACCOUNT TERMS AND CONDITIONS on page 19 of the Disclosure Statement is replaced in its entirety as follows:

COLLEGESURE® HONORS SAVINGS ACCOUNT

Product. CollegeSure® Honors Savings Account (Honors Savings Account) is a high-yielding, variable rate savings account. Effective October 24, 2016, all balances from Accumulator, Honors Savings Accounts, and the Savings Account will be transferred to the CollegeSure® Honors Savings Account.

Minimum Contribution Amount. The minimum initial contribution is $250. Additional contributions of $25 may be made to an existing Account under the same terms and conditions.

ACH and Payroll Deductions. If your initial contribution is less than $250, you may contribute $25 per month if you use and ACH Plan or $25 per pay period using payroll deduction. The APY of the Honors Savings Account will be the APY offered as of the Contribution Date of the initial $25 contribution.

Interest Rate and Annual Percentage Yield (APY). The Interest Rate and APY which will be tied to the College Board's Independent College 500® (IC 500®) Index are published online at www.collegesavings.com/Arizona. Rates will be reviewed by CSB on a periodic basis and may be reset at any time without notice.

Interest Accrual, Compounding and Crediting. 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.

Withdrawals. Withdrawals from the Account must be made by submitting a Distribution Authorization Form. You may call a Client Service Representative at 800-888-2723 to receive a Distribution Authorization Form or download the form from our website at www.collegesavings.com/Arizona. Generally, withdrawals will be processed within ten (10) business days.

If the withdrawal is a Non-Qualified Distribution, you may also be subject to the Distribution Tax.

7. ***The section entitled MAINTAINING AND MAKING CHANGES TO YOUR ACCOUNT, subsection 'Once Per Calendar Year Investment Exchange' on page 24 of the Disclosure Statement is replaced in its entirety as follows:***

Twice Per Calendar Year Investment Change. Federal law allows you to change the investment options in which you currently invest for each Beneficiary twice per calendar year. You can initiate this transaction by contacting a Client Service Representative at 800-888-2723 or by downloading a form from our website, www.collegesavings.com/Arizona. If you choose to change a CD option and thereby terminate an existing CD prior to its Maturity Date, you may be subject to Early Withdrawal Penalty.

[Intentionally left blank.]

**SUPPLEMENT DATED JULY 2016 TO THE
ARIZONA FAMILY COLLEGE SAVINGS PROGRAM – BANK PLAN (AFCSP-BANK PLAN)
DISCLOSURE STATEMENT DATED DECEMBER 15, 2011**

This Supplement describes important changes and updates. Review this information carefully and keep it together with your current copy of the AFCSP-Bank Plan Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement.

Qualified Higher Education Expenses Expanded to Include Computer Technology and Equipment

Pursuant to recent changes in federal law, the list of qualified higher education expenses has been expanded to include computer and related equipment, software and services, with a retroactive effective date of January 1, 2015. Accordingly, the following changes are made to the Program Description:

1. The definition of Qualified Expenses on page 28 of the Disclosure Statement is replaced in its entirety as follows:

Qualified Expenses: Qualified higher education expenses as defined in the Code and may be further limited by the AFCSP-Bank Plan, related to enrollment or attendance at an Eligible Educational Institution. Generally, these include the following:

- Tuition, fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution;
- Certain costs of room and board of a Beneficiary for any academic period during which the Beneficiary is enrolled at least half-time at an Eligible Educational Institution;
- Expenses for "special needs" services needed by a special needs Beneficiary which must be incurred in connection with the Beneficiary's enrollment or attendance at an Eligible Educational Institution; and
- Expenses for the purchase of computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code), computer software (as defined in section 197(e)(3)(B) of the Code), or Internet access and related services, if the equipment, software, or services are to be used primarily by the Beneficiary during any of the years the Beneficiary is enrolled at an Eligible Educational Institution.

Refunds from Eligible Educational Institutions can be Recontributed

Pursuant to recent changes in federal law, if a Beneficiary receives a refund of any Qualified Expenses from an Eligible Educational Institution, as long as the refund is recontributed to a Qualified Tuition Program for the same Beneficiary within 60 days of the date of the refund, the refund will not be subject to federal and Arizona state income tax or the Distribution Tax. However, recontributed funds are not eligible for the Arizona state income tax deduction. This change is retroactively effective January 1, 2015 and allows for refunds received from Eligible Educational Institutions after December 31, 2014 and before December 18, 2015 to be recontributed up to and including February 16, 2016.

Accordingly, the following changes are made to the Program Description:

2. ***The following section is added after the section entitled Rollover Contributions on page 9 of the Program Description:***

Refunded Distributions. In the event the Beneficiary receives a refund from an Eligible Educational Institution, those funds will be eligible for recontribution to your Account if:

- The Beneficiary of your Account is the same beneficiary receiving the refund; and
- The recontribution is made within 60 days of the date of the refund.

The recontributed amount will not be subject to federal or Arizona state income tax or the Distribution Tax. For tax purposes, please maintain proper documentation evidencing the refund from the Eligible Educational Institution. For refunds received after December 31, 2014 and before December 18, 2015, recontributions must be made by February 16, 2016.

3. ***The section entitled Other Distributions beginning on page 22 is amended by replacing the first paragraph in its entirety as follows:***

Other Distributions. The distributions discussed below are not subject to the Distribution Tax. Except for Rollover Distributions and Refunded Distributions, the earnings portion of each distribution discussed will be subject to federal and to any applicable state income taxes. See Certain Federal Tax Considerations: Transfers and Rollovers on page 20. In addition, these distributions may be subject to Early Withdrawal Penalties. You should consult a tax advisor regarding the application of federal and state tax laws if you take any of these distributions.

4. ***The section entitled Other Distributions is amended by adding the following paragraph after the Rollover Distribution paragraph on page 23:***

- Refunded Distribution. If you take a Refunded Distribution, any refunds received from an Eligible Educational Institution will not be subject to federal or Arizona state income tax or the Distribution Tax.

5. ***The section entitled Certain Federal Tax Considerations is amended by adding a new section entitled Refunded Distributions immediately following the section entitled Transfers and Rollovers on page 20.***

Refunded Distributions. Where a distribution is made to pay Qualified Expenses and the distribution or a portion of the distribution is refunded by the Eligible Educational Institution, you may avoid incurring federal income tax or a Distribution Tax if:

- You recontribute the refund to a Qualified Tuition Program account for which the beneficiary is the same beneficiary as the beneficiary who received the refund; and
- The recontribution is made within 60 days of the date of the refund from the Eligible Educational Institution.

6. The section entitled Certain State Tax Considerations is amended by adding the following paragraph after the paragraph titled "Arizona Taxation of Non-Qualified and Other Distributions" on page 21.

Refunded Distributions. Where a distribution is made to pay Qualified Expenses and the distribution or a portion of the distribution is refunded by the Eligible Educational Institution, you may avoid incurring Arizona income tax by contributors in prior taxable years if:

- You recontribute the refund to a Qualified Tuition Program account for which the beneficiary is the same beneficiary as the beneficiary who received the refund; and
- The recontribution is made within 60 days of the date of the refund from the Eligible Educational Institution.

A taxpayer may not claim the Arizona state income tax deduction on any recontributed funds.

7. The definition of Non-Qualified Distributions on page 28 is replaced in its entirety with the following:

Non-Qualified Distributions: A distribution from an Account that is not one of the following:

- A Qualified Distribution;
- A distribution paid to a beneficiary of the Beneficiary (or the estate of the Beneficiary) on or after the death of the Beneficiary;
- A distribution by reason of the Disability of the Beneficiary;
- A distribution included in income because the Beneficiary received (i) a tax-free scholarship or fellowship; (ii) Veterans' education assistance; (iii) Tuition Assistance; or (iv) any other nontaxable (tax-free) payments (other than gifts or inheritances) received as education assistance;
- A distribution by reason of the Beneficiary's attendance at certain specified military academies;
- A distribution resulting from the use of Education Credits as allowed under federal income tax law;
- A Rollover Distribution to another Qualified Tuition Program that is not sponsored by the State of Arizona in accordance with the Code, with appropriate documentation; or
- A Refunded Distribution.

8. The definition of Refunded Distribution is added immediately following the definition of Qualified Tuition Program or 529 Plan on page 29 as follows:

Refunded Distribution: a distribution taken for Qualified Expenses which is later refunded by the Eligible Educational Institution and recontributed to a Qualified Tuition Program that meets the following requirements:

- The recontribution must not exceed the amount of the refund from the Eligible Educational Institution;
- The recontribution must not exceed the amount of distributions previously taken to pay the Qualified Higher Education Expenses of the beneficiary;
- The recontribution must be made to an account in a Qualified Tuition Program of the same beneficiary to whom the refund was made; and
- The funds must be recontributed to a Qualified Tuition Program within 60 days of the date of the refund from the Eligible Educational Institution.

A Refunded Distribution will not be subject to federal or Arizona state income tax or the Distribution Tax.

ADDITONAL AFCSP-BANK PLAN UPDATES

College Savings Bank Part of NexBank SSB

Effective November 30, 2015, College Savings Bank became part of NexBank SSB. Accordingly, all references to College Savings Bank are replaced with College Savings Bank, a Division of NexBank SSB (CSB).

9. The following replaces the section titled "Frequently Asked Questions", the "How do I contact the AFCSP-Bank Plan?" subsection in the Supplement dated January 2015 (originally included on page 7 of the Disclosure Statement).

Regular Mail:
AFCSP – Bank Plan
c/o College Savings Bank, a Division of NexBank SSB
2515 McKinney Avenue, Suite 1100
Dallas, Texas 75201
Phone: 800.888.2723
Fax: 609.987.3760

10. The Section titled Fees and Expenses on page 10 is replaced in its entirety as follows:

FEES AND EXPENSES

Fees. Effective January 6, 2016, CSB does not charge fees. We no longer offer overnight delivery of checks or outgoing wires. Instead of overnight checks and wire transfers, we offer an ACH disbursement as an option.

Pursuant to agreements with CSB, various banking institutions, broker/dealers and financial planners act as agents or authorized representatives in effecting sales to their customers relating to the Program, and CSB has agreed to pay them a commission.

Depositors pay no commissions to any authorized representative in connection with purchases of CDs. The commissions are an expense of CSB and do not affect the amount of the customer's deposit. Savers who work through brokers are in the same position as those who work directly with CSB.

Service-Based and Other Fees. We reserve the right to charge service-based and other Fees if the Authority and the Bank determine them to be necessary and reasonable. All Fees are subject to change without prior notice. In addition, we reserve the right to not reimburse fees charged by financial institutions for contributions made either via ACH Plan or E-Check that are cancelled due to insufficient funds in the bank account from which the money is withdrawn.

11. The third paragraph of the section titled CollegeSure CD – Options at Maturity on page 15 is replaced in its entirety as follows:

Alternatively, you may choose one of the following options at maturity:

- Re-invest the matured funds to another CollegeSure CD under the then current terms and conditions;
- Transfer the matured funds to an InvestorSure CD;
- Transfer the matured funds to a 1-, 2-, or 3-year Fixed Rate CD;
- Roll over the matured funds to another Arizona 529 plan account or into an account in another 529 plan;
- Hold the matured funds in a Savings Account; or
- Take a Qualified or Non-Qualified Distribution of the funds.

12. ***The third paragraph of the section titled InvestorSure CD – Options at Maturity on page 16 is replaced in its entirety as follows:***

Alternatively, you may choose one of the following options at maturity:

- Transfer the matured funds to a CollegeSure CD;
- Transfer the matured funds to another InvestorSure CD under the then current terms and conditions;
- Transfer the matured funds to a 1-, 2-, or 3-year Fixed Rate CD;
- Roll over the matured funds to another Arizona 529 plan account or into an account in another 529 plan;
- Hold the matured funds in a Savings Account; or
- Take a Qualified or Non-Qualified Distribution of the funds.

13. ***The second paragraph of the Section titled Fixed Rate CD on page 18 is replaced in its entirety as follows:***

Maturities Available:

- 1-year Fixed Rate CD (12 month maturity)
- 2-year Fixed Rate CD (24 month maturity)
- 3-year Fixed Rate CD (36 month maturity)

14. ***The third paragraph of the section titled Fixed Rate CD – Options at Maturity on page 18 is replaced in its entirety as follows:***

Alternatively, you may choose one of the following options at maturity:

- Transfer the matured funds to a CollegeSure CD;
- Transfer the matured funds to an InvestorSure CD;
- Reinvest the matured funds in another 1-, 2-, or 3-year Fixed Rate CD under the then current terms and conditions;
- Roll over the matured funds to another Arizona 529 plan account or into an account in another 529 plan;
- Hold the matured funds in a Savings Account; or
- Take a Qualified or Non-Qualified Distribution of the funds.

15. ***College Savings Bank, a Division of NexBank SSB Privacy Policy is replaced in its entirety by the privacy policy attached to this Supplement.***

16. ***The College Savings Bank CollegeSure Certificate of Deposit Terms and Conditions are replaced in their entirety by the CollegeSure Certificate of Deposit Terms and Conditions attached to this Supplement.***

17. ***The College Savings Bank InvestorSure Certificate of Deposit Terms and Conditions are replaced in their entirety by the InvestorSure Certificate of Deposit Terms and Conditions attached to this Supplement.***

18. ***The College Savings Bank Fixed Rate Certificate of Deposit Terms and Conditions are replaced in their entirety by the Fixed Rate Certificate of Deposit Terms and Conditions attached to this Supplement.***

19. ***The College Savings Bank Honors Savings Account Terms and Conditions are replaced in their entirety by the Honors Savings Account Terms and Conditions attached to this Supplement.***

NexBank, SSB and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

SUPPLEMENT DATED OCTOBER 2015 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM (AFCSP) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This supplement describes important changes. Review this information carefully and keep it together with your current copy of the Arizona Family College Savings Program Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement.

1. In the section titled "AFCSP 529 Plan Disclosure Highlights", the eighth (8th) paragraph on page 4 is replaced with the following:

An Account Owner can contribute up to a Maximum Account Balance of $419,000 (accurate as of 10/1/15) for each Beneficiary.

2. In the section titled "Contributing To Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10 as supplemented September 2013 is replaced with the following:

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $419,000 (accurate as of 10/1/15) for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $419,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor. If you are enrolled in an ACH Plan, the ACH Plan will be discontinued

3. In the section titled "Glossary", the "Maximum Account Balance" subsection on page 28 is updated with the following:

Maximum Account Balance: The maximum aggregate balance of all accounts for the same Beneficiary in Qualified Tuition Programs sponsored by the State of Arizona, as established by the ACPE from time to time, which will limit the amount of contributions that may be made to Accounts for any one Beneficiary, as required by Section 529 of the Code. The current Maximum Contribution Limit is $419,000 (accurate as of 10/1/15).

SUPPLEMENT DATED JANUARY 2015 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM (AFCSP) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This supplement describes important changes. Review this information carefully and keep it together with your current copy of the Arizona Family College Savings Program-Bank Plan Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement.

Annual Investment Change Limits

Under the recently enacted federal law known as the Achieving a Better Life Experience Act of 2014 or the "ABLE Act of 2014", you will be permitted to change the investment option for all or a portion of the assets in your account for any reason up to two times during each calendar year beginning in 2015. Accordingly, all references to the once per calendar year restriction found throughout this Disclosure Statement should be changed to twice per calendar year.

1. The following replaces the section titled "Frequently Asked Questions", the "How do I contact the Plan?" subsection in the Supplement dated April 2013 (originally included on page 7 of the Disclosure Statement).

Phone: 1.800.888.2723
Monday through Friday, 9 a.m. to 6 p.m. Eastern Time

SUPPLEMENT DATED AUGUST 2014 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM (AFCSP) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This supplement describes important changes. Review this information carefully and keep it together with your current copy of the Arizona Family College Savings Program Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement.

*1. **Effective October 1, 2014**, the following replaces the eighth (8th) paragraph in the section entitled "AFCSP 529 Plan Disclosure Highlights", on page 4 as supplemented September 2013:*

An Account Owner can contribute up to a Maximum Account Balance of $412,000 (accurate as of 10/1/14) for each Beneficiary.

SUPPLEMENT DATED SEPTEMBER 2013 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM (AFCSP) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This supplement describes important changes. Review this information carefully and keep it together with your current copy of the Arizona Family College Savings Program Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement.

1. In the section titled "AFCSP 529 Plan Disclosure Highlights", the eighth (8th) paragraph on page 4 is replaced with the following:

An Account Owner can contribute up to a Maximum Account Balance of $396,000 (accurate as of 10/1/13) for each Beneficiary.

2. In the section titled "Contributing To Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10 as supplemented April 2013 is replaced with the following:

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $396,000 (accurate as of 10/1/13) for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $396,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor. If you are enrolled in an ACH Plan, the ACH Plan will be discontinued

3. In the section titled "Glossary", the "Maximum Account Balance" subsection on page 28 is updated with the following:

Maximum Account Balance: The maximum aggregate balance of all accounts for the same Beneficiary in Qualified Tuition Programs sponsored by the State of Arizona, as established by the ACPE from time to time, which will limit the amount of contributions that may be made to Accounts for any one Beneficiary, as required by Section 529 of the Code. The current Maximum Contribution Limit is $396,000.

SUPPLEMENT DATED JUNE 2013 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM (AFCSP) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This supplement describes important changes. Review this information carefully and keep it together with your current copy of the Arizona Family College Savings Program Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement.

1. In the section titled "AFCSP 529 Plan Disclosure Highlights", the seventh (7th) paragraph on page 4 is replaced with the following:

The Plan offers both Arizona State and federal income tax benefits, starting with tax-deferred earnings and a deduction from taxable income for contributions made by Arizona taxpayers. The earnings portion of any distribution used to pay for Qualified Expenses are free from Arizona State and federal income tax. As of January 1, 2013, if you are an Arizona taxpayer, you are entitled to a deduction of up to $2,000 per year for an individual taxpayer and $4,000 per year for married taxpayers filing jointly, to adjusted gross income in computing your Arizona state income tax, based on eligible contributions to any Qualified Tuition Plan including the AFCSP. If you are not an Arizona taxpayer, consider before investing whether your or the Beneficiary's home state offers a Qualified Tuition Program that provides its taxpayers with favorable state tax and other benefits that may only be available through investment in the home state's Qualified Tuition Program, and which are not available through an investment in the AFCSP.

2. In the section titled "Frequently Asked Questions", the "How does the State income tax deduction work for the Plan?" subsection on page 5 is updated with the following:

If you are an Arizona taxpayer, as of January 1, 2013, you are entitled to a deduction of up to $2,000 per year for an individual taxpayer and $4,000 per year for married taxpayers filing jointly, to adjusted gross income in computing your Arizona state income tax, based on eligible contributions to any Qualified Tuition Plan including the AFCSP. For additional information, please see **Certain State Tax Considerations** on **page 21**.

3. In the section titled "Certain State Tax Considerations", the "Income Tax Advantages for Arizona Taxpayers" subsection on page 21 is updated with the following:

Income Tax Advantages for Arizona Taxpayers. As of the January 1, 2013 taxable year, if you are an Arizona taxpayer and you contribute to one or more accounts in a 529 Plan, including the AFCSP, in a tax year, you are entitled to reduce your adjusted gross income in computing your Arizona income tax, by the total amount of your eligible contributions, but not by more than $2,000 ($4,000 if married, filing jointly).

SUPPLEMENT DATED APRIL 2013 TO THE ARIZONA FAMILY COLLEGE SAVINGS PROGRAM (AFCSP) DISCLOSURE STATEMENT DATED DECEMBER 15, 2011

This supplement describes important changes. Review this information carefully and keep it together with your current copy of the Arizona Family College Savings Program Disclosure Statement. Any information in the Disclosure Statement inconsistent with the information provided in this Supplement is superseded by the information in this Supplement.

1. In the section titled "Frequently Asked Questions", the "Do my contributions to the Plan qualify as a gift under federal law?" subsection on page 6 is replaced with the following:

Yes. As of January 1, 2013, the federal annual gift tax exclusion has increased to **$14,000** if filing single, **$28,000** if married filing jointly (assuming spouses consent to gift-splitting). This applies to 529 plan contributions, although contributors may make up to a **$70,000** (**$140,000** if married filing jointly and spouses consent to gift-splitting) contribution free of the gift tax if they elect to take that amount into account proportionately over five years. Accordingly, all references to the exclusion of contributions from federal gift tax found throughout this Disclosure Statement should be updated to reflect these increased amounts.

2. In the section titled "Frequently Asked Questions", the "How do I contact the Plan?" subsection on page 7 is updated with the following:

Phone: 1.800.888.2723
Monday through Friday, 9 a.m. to 8 p.m. Eastern time

3. In the section titled "Contributing To Your Account", the first paragraph of the "Maximum Account Balance" subsection on page 10 is replaced with the following:

Maximum Account Balance. You can contribute up to a Maximum Account Balance of $374,000 for each Beneficiary. The aggregate market value of all accounts for the same Beneficiary under all Qualified Tuition Programs sponsored by the State are counted toward the Maximum Account Balance regardless of the Account Owner. Earnings may cause the account balances for any one Beneficiary to exceed $374,000 and no further contributions will be allowed at that point. If a contribution is made to an Account that would cause the aggregate balance of all accounts to exceed the Maximum Account Balance, all or a portion of the contribution amount will be returned to you or the contributor.
If you are enrolled in an ACH Plan, the ACH Plan will be discontinued.

4. The section "CD Option Profiles" on page 14 is replaced in its entirety with the following:

CD OPTION AND HONORS ACCOUNT PROFILES

The following profiles highlight the investment objective, and strategy of each CD Option and Honors Savings Account.

Issuer. All CDs and Honors Savings Accounts are issued by CSB, a New Jersey-chartered savings bank. CSB's deposits are insured up to applicable statutory limits by the FDIC. Each CD and Honors Savings Account is governed by the statutes, rules and regulations of the State of New Jersey and the FDIC; CSB's certificate of incorporation and by-laws; the regulations, rules and practices adopted by CSB; and general savings bank practices.

FDIC Insurance. Your interest in the principal and accrued interest on each CD and Honors Savings Account will, for FDIC deposit insurance purposes, be added to any other deposit accounts you hold at College Savings Bank (including any deposit accounts you hold under other 529 plans) in the same right and capacity and insured by the FDIC up to $250,000 in the aggregate. All 529 program accounts with the same Account Owner will be deemed to be held in the same right and capacity and will be combined for purposes of this $250,000 limitation. FDIC deposit insurance is backed by the full faith and credit of the U.S. Government. Separate deposit insurance for Accounts with the same Account Owner and Beneficiary may also be available in certain limited circumstances. Please contact a Client Service Representative at 1-800-888-2723 for additional information.

Minimum Deposit Amounts. For each CD Option and Honors Savings Account, the minimum initial contribution is $250. Subsequent contributions per CD Option or Honors Savings Account are also $250. For CDs, additional contributions may not be made to existing CDs but may be made into an existing Account to purchase new CDs offered by CSB under any of the three (3) available CD Options.

If you do not intend to contribute $250 at one time, you may contribute $25 per month if you use an ACH Plan or $25 per pay period using payroll deduction. ACH Plan 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 CollegeSure CD, InvestorSure CD, Fixed Rate CD, or Honors Savings Account, as applicable. See **Contributing to Your Account** beginning on **page 8** for further details. The interest rate on an Accumulator Account is the same as the interest rate paid on a savings account at CSB, which is published online at www.collegesavings.com/arizona.

5. A new section immediately proceeding the section titled "Accumulator Account and Savings Account Terms and Conditions" starting on page 19 has been added:

HONORS™ SAVINGS ACCOUNT

Product. Honors™ Savings Account is a variable rate savings account.

Annual Percentage Yield (APY). The APY is published online at www.collegesavings.com/arizona/Honors.asp. Account owners will receive the published APY applicable at the time of the day when the online application and funding are complete. The APY may change without notice.

Interest Accrual, Compounding and Crediting. 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 interest 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.