

March 31, 2024

IMPORTANT CHANGES TO THE COLLEGECHOICE CD 529 SAVINGS PLAN

College Savings Bank, a division of NexBank and the program manager for the CollegeChoice CD 529 Savings Plan (CollegeChoice CD), is exiting the 529 business. As a result, CollegeChoice CD will close to new investors effective May 31, 2024. Additionally, contributions to and maturity dates of existing CD investment options in the Plan will be changing. This notice will provide you details of changes to CollegeChoice CD (the Transition).

What to expect

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

CollegeChoice CollegeSure CDs

If your investment option consists of CollegeSure CDs with an original maturity date on or before July 31, 2026, the maturity of your CollegeSure CD will not change. However, the options available to you at maturity will be updated.

If your investment option consists of CollegeSure CDs with an original maturity date on or after July 31, 2027, we will accelerate those CDs to mature on July 31, 2026. This means all outstanding CollegeSure CDs with a July 31, 2027 or later maturity date will receive a single interest payment,

calculated based on the original maturity term, at a 2% annual percentage yield (APY), compounded annually. This single interest payment exceeds the original CollegeSure CD interest rate floor guarantee. The CollegeSure CD will no longer earn interest after July 31, 2026.

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

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

1. Take a distribution from your account. This can be qualified or non-qualified. Please note that non-qualified withdrawals will be subject to federal taxes and penalties and, if you are an Indiana

CollegeSure CD Maturity Date Schedule

July 31, 2026 and before	standard schedule maturity
July 31, 2027 and after	accelerated schedule maturity

taxpayer, recapture of previously claimed tax credits¹;

2. Rollover the matured funds to another Indiana 529 Plan – either [CollegeChoice 529 Direct Savings Plan](#) (sold directly to the public), or [CollegeChoice Advisor 529 Savings Plan](#) (sold through financial professionals); or
3. Rollover the matured funds to a 529 plan not offered by the state of Indiana¹.

If you prefer to not accept the accelerated maturity rate you may withdraw all or part of your CollegeSure CD prior to July 31, 2026. You will receive the existing guaranteed floor rate and will not incur any early redemption penalty.

Fixed Rate CDs

Effective May 31, 2024, we will no longer offer the purchase of new 1-, 2-, or 3-Year Fixed Rate CDs. However, you will be able to continue to make contributions to your existing Fixed Rate CDs until May 30, 2025 and those CDs will mature according to their standard schedule.

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

1. Take a distribution from your account. This can be qualified or non-qualified. Please note that non-qualified withdrawals will be subject to federal taxes and penalties and, if you are an Indiana taxpayer, recapture of previously claimed tax credits¹;
2. Rollover the matured funds to another Indiana 529 Plan – either [CollegeChoice 529 Direct Savings Plan](#) (sold directly to the public), or [CollegeChoice Advisor 529 Savings Plan](#) (sold through financial professionals); or
3. Rollover the matured funds to a 529 plan not offered by the state of Indiana¹.

In addition, you may withdraw all or part of your Fixed Term CD prior to maturity, which will incur early redemption penalty per Fixed CD terms and conditions.

CollegeSure Honors Savings Accounts

All remaining assets in CollegeSure Honors Savings Accounts will convert to an investment option in Indiana's CollegeChoice 529 Direct Savings Plan in Fall 2027. We will provide detailed transition information, including the investment option into which the CollegeSure Honors Savings Accounts will be converted, once we get closer to the Fall of 2027.

Please note that federal law limits exchanges between investment options in a 529 plan to twice each calendar year, and/or exchanges associated with a beneficiary change. Because the Fall 2027 conversion is an investment change initiated by CollegeChoice CD, it will not be considered one of your twice-annual investment exchanges.

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

Indiana taxpayers are eligible for a state income tax credit of 20% of contributions to a CollegeChoice 529 account, up to \$1,500 credit per year (\$750 for married couples filing separately). This credit may be subject to recapture from the account owner (not the contributor) in certain circumstances, such as rollovers to another state's 529 plan, federal nonqualified withdrawals, withdrawals used to pay elementary or secondary school tuition for a school outside of Indiana, qualified education loan repayments, or rollovers to a Roth IRA account as described in the Disclosure Booklet.

KEY DATES TO KEEP IN MIND		
DATE	AFFECTED ACCOUNTS	EVENT
May 31, 2024	ALL	Last day to open an account or purchase NEW 1-year, 2-year, or 3-year fixed rate CD investment options
May 30, 2025	FIXED RATE CD & HONORS SAVINGS ACCOUNTS	Last day to make additional contributions to an EXISTING 1-year, 2-year, or 3-year fixed rate CD investment option and the Honors Savings Account
July 31, 2026	COLLEGESURE CD	Last maturity date for all CollegeSure CDs. CollegeSure CDs with a maturity date of July 31, 2026 or earlier will mature according to their original schedule. CollegeSure CDs with a maturity date of July 31, 2027 or later will mature at the accelerated rate outlined in this notice.
May 31, 2027	FIXED RATE CD	Last maturity date for existing fixed rate CD investment options
Fall 2027	ALL	Rollover of all remaining assets held in the CollegeSure Honors Savings Account into CollegeChoice 529 Direct Savings Plan.

Additional detail regarding the Transition is available in the accompanying Supplement to the CollegeChoice CD Disclosure Statement. Please read and retain that information for future reference.

If you have any questions, please give us a call at 1.888.913.2885, send us an email questions@collegechoicecd.com or live chat with a Client Service Representative.

The Federal Deposit Insurance Corporation (FDIC) generally insures, with respect to each FDIC-insured institution, deposit accounts that are held in the same right and capacity up to the maximum amount set by federal law, currently \$250,000. An account owner's interest in the insurable balance of a CollegeChoice CD account is insured by the FDIC on a pass-through basis, together with any other deposit accounts the account owner holds at College Savings Bank, up to the maximum amount. Please see the Enrollment Kit for further information. The CollegeChoice CD 529 Savings Plan is not insured by the State of Indiana. Neither the principal invested nor the investment return is guaranteed by the State of Indiana.

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phone: 1.888.913.2885
www.collegechoicecd.com

INCD-2024