



MONTANA UNIVERSITY SYSTEM
OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION
Student Financial Services

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**Montana Family Education Savings Program to launch new
\$1,000 Monthly College Savings Award**

(Helena, MT – February 1, 2012) – The Montana Family Education Savings Program (MFESP) and the Montana University System’s Student Financial Services Office (SFS) will be launching a new award program, the Montana Monthly Education Savings Award, on February 1, 2012. The monthly award will give Montana residents the chance to receive \$1,000 towards any MFESP college savings option.

MFESP offers two programs to save for college, available nationwide. The MFESP Bank Plan, offered through the Program Manager College Savings Bank, features three CD savings options with FDIC insurance* and principal protection. The MFESP Investment Plan features five investment options in two categories, which invest in mutual funds from The Vanguard Group, Inc., a global investment management company.

Every month, new account holders, as well as those who have enrolled in the drawing, will have a chance to win the \$1,000 Montana Monthly Education Savings Award. To be eligible to receive the award, one must be a Montana resident and open an MFESP Bank Plan or Investment Plan account during the month or complete the online form available on College Savings Bank’s website.

“Through both the MFESP Bank Plan and the MFESP Investment Plan, families are able to prepare for college costs with state tax advantages. By offering a \$1,000 College Savings Award, we feel the MFESP is the smartest college savings plan available to Montana residents,” said Bruce Marks, Director of Student Financial Services, which houses the MFESP.

SFS will draw winners by the 15th of the following month. Recipients of the \$1,000 Montana Monthly Education Savings Award can deposit the award into an existing account, or complete necessary paperwork to open up an additional account. Awards received can be deposited in either the MFESP Bank Plan or Investment Plan.

The Montana Monthly Education Savings Award program will launch February 1, 2012. To learn more, visit the promotions webpage on College Savings Bank’s website at www.collegesavings.com/montana/College_Savings_Award.csb.

Official rules are available at www.collegesavings.com/montana/College_Savings_Award_Rules.csb.

\$3,000 deduction to gross income per taxpayer, or \$6,000 for those married, filing jointly based on contributions. In addition, earnings grow tax-free and distributions to pay qualified education expenses are tax-free.** Assets held in an MFESP account can be used to pay for a beneficiary's tuition, fees, books and certain room and board costs, not only in Montana, but at eligible schools anywhere.

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Montana Guaranteed Student Loan Program (MGSLP) and Student Financial Services are programs within the Office of the Commissioner of Higher Education. MGSLP is the designated guarantor of Federal Family Education Loans in Montana and additionally guarantees loans on a regional and national level. Located in Helena, Montana, SFS administers a variety of state, federal, and private grant and scholarship programs. SFS also administers Montana's 529 plan, the Montana Family Education Savings Program, as well as both the Montana University System Honor Scholarship and the Governor's Postsecondary Scholarship Program.

*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 College Savings Bank 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.

** To be eligible, the contribution must be made to your account, an account owned by your spouse or an account owned by your child or stepchild if your child or stepchild is a Montana resident. Eligible contributions are deductible in computing Montana adjusted gross income for the tax year in which they are made. Contributions may be subject to recapture in certain circumstances, such as a non-qualified withdrawal or a withdrawal or distribution from an account that was opened within three years prior to the date of the withdrawal or distribution (Recaptured Withdrawal). If the account owner is no longer a Montana resident at the time of a Recaptured Withdrawal, the program manager or its service provider may withhold the potential recapture tax from the Recaptured Withdrawal.