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NC 529 Plan offers new federally-insured deposit account option

Raleigh, N.C. – The newest addition to North Carolina’s National College Savings Program should appeal to parents, grandparents and others looking for the security of a deposit account and the advantages of the NC 529 Plan. The *Federally-Insured Deposit Account*, launched April 12, is offered by the State Employees’ Credit Union. The new option provides protection of principal and earnings, a competitive interest rate, and is insured by the National Credit Union Administration.

Contributions made by N.C. taxpayers to the *Federally-Insured Deposit Account*, or any of the other 13 investment options available in the NC 529 Plan, may be eligible for an annual state income tax deduction. Earnings on investment options in an NC 529 account are also free from federal and state income tax when used for qualified higher education expenses.

“This new option should be particularly appealing for conservative investors who want return without worry about investment loss, or perhaps have an older child who will soon be attending college,” said Shera Hube, vice president for marketing and savings at College Foundation, Inc., which administers the NC 529 Plan.

“We have worked with the State Employees’ Credit Union on several projects recently that have been a real benefit to families paying for college. Making a federally insured investment option available now for all NC 529 Plan participants to consider is another good example of how our organizations collaborate to make higher education possible,” said Steve Brooks, executive director of the North Carolina State Education Assistance Authority, which established and maintains the college savings program.

Besides the new *Federally-Insured Deposit Account*, other NC 529 investment options continuing as part of the NC 529 plan are the *Active Core Equity Fund*, managed by NCM Capital Management Group, Inc. of Durham; the *Dependable Income Fund*, managed by the North Carolina State Treasurer; and three *Age-Based V Funds* (aggressive, moderate and conservative) and a variety of other individual *V Fund Options*, all comprised of underlying funds from The Vanguard Group, Inc.

As of the end of March 2010, 41,180 participants had more than \$584 million invested in North Carolina's National College Savings Program. The number of accounts has grown by 17 % over the same time last year. More than 200 North Carolina employers now offer the opportunity to contribute to the NC 529 plan via payroll deduction. For more information on North Carolina's National College Savings Program, call 800.600.3453 toll free or visit www.CFNC.org/NC529.

About CFNC

College Foundation of North Carolina (CFNC) is a free service of the State of North Carolina that helps students plan, apply, and pay for college. CFNC is a partnership of Pathways, the N.C. State Education Assistance Authority, and College Foundation, Inc.

- *Pathways, created by the N.C. General Assembly in 1999, is a state-wide initiative to increase the college-going rate of North Carolinians by providing: comprehensive college and career planning resources; electronic applications and transcripts accepted by all 110 North Carolina colleges and universities; and, information on student financial aid and college affordability. Pathways is administered by The University of North Carolina General Administration in collaboration with the N.C. Department of Public Instruction, the N.C. Community College System, and the N.C. Independent Colleges and Universities.*
- *The North Carolina State Education Assistance Authority (NCSEAA), established in 1965, is the State agency that promotes access to higher education by administering financial aid and savings programs, informing students and families about paying for college, teaching educators about financial aid administration, and advocating for resources to support students.*
- *College Foundation, Inc. (CFI), a nonprofit corporation serving North Carolina students and families since 1955, administers a portfolio of more than \$4 billion, including low-interest federal education loans, the State's college grant programs, and the tax-free "529" college savings program on behalf of the N.C. State Education Assistance Authority. CFI also delivers information to North Carolina students and families about paying for college and provides technology services for CFNC.org.*

CFNC offers resources toll-free at 1-866-866-CFNC and at CFNC.org.

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