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April 29, 2009

### **North Carolina's 529 College Savings Plan Makes it Easier to Choose Low-Cost Funds**

Raleigh, N.C. -- North Carolina's National College Savings Program is making it less expensive for North Carolinians to save for college.

Changes were announced today by College Foundation, Inc. which administers the state's 529 plan on behalf of the North Carolina State Education Assistance Authority.

Shera Hube, CFI Vice President for Marketing and Savings, says "The Authority maintains oversight of the program's investment options and reviews them regularly. To help North Carolinians get through this tough economic period and keep saving for college, the Authority directed us to cut costs for participants by using only low-cost mutual funds for the balanced and age-based investment options."

The *Balanced Fund* and the age-based *CollegeHorizonFunds* currently available in the program will be discontinued by July 1. Participants with assets in these funds may choose to move them into one of the other investment options in the program or wait for the program's automatic mapping to occur in mid to late June. Details about the transition period will soon be provided to current participants and posted in the NC 529 information at [CFNC.org](http://CFNC.org).

The automatic move will map assets to the lower-cost balanced investment option, *V Fund 3*, comprised of the Vanguard LifeStrategy Conservative Growth Fund, or to the moderate track of the *Age-Based V Fund*, comprised of underlying mutual funds from The Vanguard Group. The Vanguard Group, headquartered in Valley Forge, Pennsylvania, is one of the nation's largest mutual fund firms and a leading provider of 529 college savings plan investments.

"With Vanguard funds, among the lowest-cost and most broadly diversified available, our program helps people maximize their savings effort and still have the variety of choices needed to suit their personal savings style," Hube says.

Hube emphasizes that the June changeover period gives investors time to review their options well in advance. She also points out that federal law allows participants in 529 plans to move assets among investment options twice in 2009.

Other investment options continuing as part of the NC 529 plan are the *Aggressive Fund*, managed by NCM Capital Management Group, Inc. of Durham; the *Dependable Income Fund*, managed by the North Carolina State Treasurer; the other two tracks of the *Age-Based V Fund*, the aggressive and conservative, and a variety of other individual *V Fund* Options, all comprised of underlying funds from The Vanguard Group.

As of the end of March 2009, 41,613 participants had more than \$368 million invested in North Carolina's National College Savings Program, with many North Carolinians benefitting from a state tax deduction on contributions. The number of accounts grew by 27.5 % 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](http://www.CFNC.org/NC529).

*About CFNC, NCSEAA, Pathways and CFI*

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

The North Carolina State Education Assistance Authority 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.

Pathways is a state-based initiative including North Carolina's Department of Public Instruction, the University of North Carolina System, the North Carolina Community Colleges, and the North Carolina Independent Colleges and Universities working together to increase access to college for all North Carolinians.

College Foundation, Inc., a nonprofit corporation serving North Carolina students and families since 1955, administers a portfolio of more than \$3 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.

CFNC offers its resources via telephone, toll-free at 1-866-866-CFNC or on its website at [CFNC.org](http://CFNC.org).

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