

September 1, 2009

CONTACT:

Ben Kittner

College Foundation Inc.

919-835-2336 direct

866-866-CFNC toll-free

bkittner@cfi.org

September is College Savings Month

-- Number of NC 529 Plan accounts increases 20.9% over past year

Raleigh, N.C. – September is a great time for families to plan ahead for the cost of attending college, advises College Foundation, Inc., program administrator for the NC 529 college savings plan. As students settle into a new school year and education is on everyone's mind, September has been designated College Savings Month by College Savings Plan Network, an affiliate of the National Association of State Treasurers.

With this month's focus on college savings, now is the time to open an account in North Carolina's 529 Plan or to increase contributions to an established account. To start your NC 529 account requires only a \$25 investment and you may make regular or periodic contributions, based on your ability and your preferences. Money can be used for educational expenses at almost any four-year or two-year college, in-state or out-of-state.

During the past year, the number of NC 529 accounts has increased by more than 20 percent, according to College Foundation. Almost 69,000 account owners have \$451 million invested, a fund value increase of 8.1 percent from the previous year.

Kiplinger's June 26, 2009 "Best 529 College-Savings Plans" pointed out that North Carolinians benefit from choosing the NC 529 Plan because of the annual tax-deduction available on contributions of up to \$2,500 for individuals (\$5,000 for joint filers) until at least 2012.

Kiplinger's also highlights the benefits of programs with low fees. In June, the NC 529 Plan cut costs for participants by using low-cost mutual funds for the balanced and age-based investment options.

Savingforcollege.com pointed out in May 2009 that North Carolina's 529 college savings plan has among the nation's lowest administrative fees, with only four other states having comparable low fee plans. The low-cost funds and low administrative fees

in NC's 529 plan combine to offer investment option annual fees that range from less than 0.30% up to only 0.90%.

Participants in the NC 529 Plan can choose either individual investment options or an age-based option, which moves from an aggressive to more conservative investment as the child nears college age. NC 529 investment options include funds from The Vanguard Group, NCM Capital Management Group and the State Treasurer of North Carolina.

This year, Congress is allowing current 529 plan owners to shift investment-option allocations twice during the year.

Nationally, there are more than 11 million accounts and \$104 billion invested in 529 plans with the specific purpose of planning ahead to help student attain a college education.

Go to CFNC.org/NC529 to learn about North Carolina's 529 college savings plan, to enroll or to make a contribution. If you have any questions, call toll-free 1-800-600-3453.

The availability of tax benefits may be conditioned on meeting certain requirements.

To learn about North Carolina's National College Savings Program, its investment objectives, risks and costs, read the Program Description available from CFNC.org/NC529.com or call 800-600-3453. Check with your or your beneficiary's home state about tax or other benefits associated with investing in that state's qualified tuition program.

North Carolina's National College Savings Program is a program of the State of North Carolina, established and maintained by the North Carolina State Education Assistance Authority (Authority) as a qualified tuition program under federal tax law, and administered by College Foundation, Inc. (CFI). Investment options are made available through NCM Capital Management Group, LLC; the State Treasurer of North Carolina; and The Vanguard Group, Inc.

Vanguard is a trademark of The Vanguard Group, Inc.

###