



The Arizona Family College Savings Program (AFCSP)

College Savings Bank, program manager for the AFCSP, has been helping families fund higher education for over 22 years. We have the experience necessary to provide your clients with a reliable way to save for a higher education. College Savings Bank is the longest standing, and most experienced 529 plan provider in the country. The Arizona Family College Savings Program (AFCSP), is an ideal college savings plan for Arizona Residents.

The benefits of saving with the AFCSP through College Savings Bank are endless:

- Tax-advantaged, state-sponsored Section 529 Program
- FDIC insurance and principal protection on all products
- Diverse product options created to suit every type of conservative investor
- No enrollment and maintenance charges

A Great Opportunity

College Savings Bank is the only 529 plan provider offering national distribution through non-licensed retail banking institutions.

Did you know that 529 plans held more than \$100 billion in deposits on behalf of 11 million beneficiaries at the end of 2008? Accounts are growing at a rate of nearly 1 million a year. Tremendous growth in 529 plans can partially be attributed to the tax advantaged nature of contributions.

- Federally, 529 plans offer tax-free earnings and qualified distributions are tax-free.
- Arizona offers a state income tax deduction based on contributions of up to \$750 per taxpayer and \$1,500 per couple.
- Anyone can participate without income limitation.
- Account maximums generally exceed \$300,000 per beneficiary.

Tapping into the 529 market provides banks with an outstanding opportunity to generate fee income, attract new customers, retain existing customers and strengthen relationships through brand loyalty and increased share of wallet.

Further 529 plans build bridges from the parent to the beneficiary, who upon graduation will seek a financial institution for car and home loans, saving and checking accounts, as well as long-term financial planning.



How the Benefits Work

Upon signing an agreement with the College Savings Bank, member banks will receive a commission for new AFCSP accounts based upon deposits generated. The average CD purchased is more than 5-years, and therefore the average commission paid is roughly 1% of all funds deposited. Historically the average initial deposit at College Savings Bank is \$10,000 and the average additional deposit is \$1,000.

As per the distribution agreement with College Savings Bank, financial Institutions within the Arizona Bankers Association will also receive:

- teller and management training on our products, as well as 529 plans;
- all of the necessary documents, prepared by College Saving Bank and approved by the state, including product and plan disclosures, as well as enrollment forms;
- assistance in marketing the 529 plan locally through ‘fill-in-the-blank’ advertising material including newspaper, direct mail, statement stuffers, and Web site messaging;
- and, support to assist in growing the program.

Customers will return applications and deposits to participating financial institutions or directly to the program manager. Deposits made to participating institutions will be forwarded to the program manager for processing. Contributions can be made by check, credit/debit card, direct deposit from a checking or savings account, or through payroll deduction. College Savings Bank issues monthly commission checks back to the Banks, based on deposits from both accounts originated and additional contributions.

- Fee Income: Contracted institutions receive a commission based upon deposits.
- New Customers: 529 plans are a great means by which to establish new customer relationships.
- Existing Customers: Increasing your product set to include 529 plan savings accounts will keep customers from engaging other providers that offer this specialized area of saving.

For more information, please contact:

Jason Thielman
406-431-8236 | jason.thielman@collegesavings.com

Diverse Product Options

College Savings Bank offers three very unique, FDIC insured certificates of deposit that will satisfy many investor types.

CollegeSure® CD

- a variable rate certificate of deposit indexed to college costs and designed to meet the future cost of college
- pays an annual percentage yield linked to the rate of college inflation as measured by the Independent College 500® Index (IC500)

InvestorSure® CD

- a variable rate certificate of deposit indexed to the Standard & Poor's 500® (S&P 500) Composite Index
- provides security and does not risk principal, unlike many other investments. Should the value of the S&P 500 decline from issue date to maturity (5-years), depositors will receive full principal back at maturity
- will receive at least 85% of the average increase in the S&P 500 based upon a formula, when investments are held until maturity

Fixed Rate CDs

- provides the safety of FDIC insurance while earning competitive rates
- are offered with 1- and 3-year maturity options and earn a fixed rate of return for the entire term of the CD

Stacey Langford
602-258-1200 | slangford@azbankers.org