

Endnotes

Units

Units are the most important measure of the value of your Account. One (1.00) full unit guarantees at maturity to pay at least the average cost of one year's direct charges (tuition, fees, room and board) at the average four-year private college in the United States as determined by The College Board's Independent College 500[®] Index (IC500), which measured \$38,799 as of July 31, 2009. Fractions of units pay at maturity proportionately the same amount. Therefore, the total units for each maturity shows you exactly what percentage of each year's charges at an average private college you have prepaid with your deposits to date.

Of course, you may be targeting something other than full funding at an average private college (one unit per maturity year). Using the following table, you can easily assess your progress to date based on your own savings goals.

TYPE OF COLLEGE	APPROXIMATE UNITS NEEDED TO FULLY FUND ONE YEAR*
AVERAGE PUBLIC (IN-STATE)	0.43
AVERAGE PRIVATE	1.00
AVERAGE IVY LEAGUE	1.27

As shown on your confirmation notice and statement, the units you have purchased with each deposit will not change.** Units are your guarantee of the amount, at maturity, that you will receive in relation to one year's tuition, fees, room and board as measured by the IC500. With each subsequent deposit you can see the additional portion of your child's future college education that you have prepaid.

* Includes tuition, fees, room and board.

** However, if you withdraw funds from the account, the units are decreased proportionately. If the CD is credited with bonus interest as part of one of the Bank's introductory or minimum interest rate offers, the units are increased proportionately, thus the percentage of college costs you have prepaid is increased.

† The APY Earned to Date is calculated as follows: $\left[\left(1 + \frac{\text{Total Interest Earned to Date}}{\text{Original Deposit}} \right)^{\frac{365}{\text{Days Since Original Deposit}}} - 1 \right] * 100$

Annual Percentage Yield (APY)

The APY over the full term of each CD is not less than the college inflation rate less a margin which varies based on the type of CD. For example, CollegeSure CDs issued after March 16, 2008 are subject to a 3.00% margin. The table on the reverse (*see 5. Deposit ID*) details the margins and minimum APYs on CollegeSure CDs issued since 1987.

Interest

Annual interest is calculated retrospectively and credited only on the Annual Statement on July 31 each year. Annual interest is based on the change in the IC500, as determined by The College Board on July 31, unless governed by College Savings Bank's special introductory rates or lifetime annual interest rate floor. The increase in the IC500 for the year ended July 31, 2009 was 4.28%.

On 529 program accounts, interest is detailed at the minimum APY whenever a withdrawal is taken. On all other accounts, interest is detailed at the minimum APY when the account is fully withdrawn.

Minimum Interest Rate APY Floor Rates

CollegeSure CDs provide an annual minimum interest rate/APY. For example, CollegeSure CDs issued after March 1, 2003 are subject to a minimum 2.00% APY. The table on the reverse (*see 5. Deposit ID*) details the margins and minimum APYs on CollegeSure CDs issued since 1987. Accurate as of July 2009. Prices and yields may change.

Tax Reporting

Regular CollegeSure Accounts

For income tax purposes, you will receive a 1099-INT in January that shows the interest credited in July of the prior year.

Coverdell ESAs

Each January you will be mailed a Fair Market Value (FMV) Statement of the value of your Coverdell ESA as of December 31. Each April you will be sent Form 5498-ESA which shows contributions through April 15 that relate to the prior tax year. If you take a distribution, you will be mailed a 1099-Q by January 31.

Roth and Traditional IRAs

By January 31 each year you will be mailed a Fair Market Value (FMV) Statement of the value of your IRA as of December 31. By May 31 you will be sent Form 5498 which shows the amount of your contributions through April 15 which relate to the prior tax year. If you take a distribution, you will be mailed a 1099-R by January 31.

Montana Family Education Savings Program and Arizona Family College Savings Program

If you participate in the Montana or Arizona 529 Program, you will receive a 1099-Q the January following any distributions made from the account.

A Step-by-Step Guide to Your Annual Statement

Following is an annotated description of your Annual Statement for your CollegeSure[®] CDs. You may want to refer to your enclosed Annual Statement while reviewing this document.

If you are making direct deposits (direct transfers from another bank account or payroll) of less than \$250 per transfer, also enclosed is your Accumulator Account Statement detailing your deposits and transfers for the previous quarter.



Member FDIC

College Savings Bank[®]

5 Vaughn Drive
Princeton, NJ 08540-6313
www.collegesavings.com
800-888-2723

1. **Account title and correspondence address.**

2. Your **account number.**

3. **Maturity date.** The date that the CollegeSure CDs mature. CDs of the same maturity are grouped together.

4. **Certificate Number.** Each deposit for each maturity is assigned a Certificate Number.

5. **Deposit ID.** This code identifies a type for each CD which determines the margin over the term of the CD. (See endnote on Annual Percentage Yield for more information.) An explanation of the codes is provided in the table below:

History of CollegeSure CDs Issued				
Code	Description	Issuance Dates	Margin	Minimum APY
B	CollegeSure	7/31/88 or earlier	2.00%	4.00%
C	CollegeSure	8/1/88-10/31/97	1.50	4.00*
P	Plus	8/1/88-10/31/97	1.00	4.00*
A	Membership	8/1/88-10/31/97	1.25	4.00*
A	Gold	8/1/88-10/31/97	1.25	4.00*
A	Alumni	8/1/88-10/31/97	1.25	4.00*
E	Enhanced	4/1/90-3/31/96	0.90	5.00
H	CollegeSure	11/1/97-8/2/02	0.00	4.00
P	CollegeSure	8/3/02-2/28/03	1.00	3.00
B	CollegeSure	3/1/03-8/1/03	2.00	2.00
L	CollegeSure	8/2/03-1/31/06	3.00	2.00
C	CollegeSure	2/1/06 - 3/14/08	1.50	2.00
L	CollegeSure	3/15/08 or after	3.00	2.00

* CDs purchased between 8/1/91 and 2/29/92 are subject to an annual 5.00% minimum APY.

6. **Original Deposit Date.** The date that the CD was purchased.

7. **Original Deposit.** The initial deposit made to purchase a CD.

8. **Beginning Balance.** The CD balance at the beginning of the statement period.

This Statement Date: July 31, 2009

Page: 1

1
MFESP, MT BOR as Trustee
John Doe, Settlor ITF
Jimmy Doe - Beneficiary
123 Main Street
Anytown, NJ 12345

DIRECT INQUIRES TO:
800-888-2723
Mon.-Fri 9am-6pm ET

CollegeSure Account Number: 300-001-123-4 **2**

3	4	5	6	7	8	9	10	11	12
Maturity Date	Certificate Number	Deposit ID	Original Deposit Date	Original Deposit	7/31/2008 Beginning Balance	Interest	Ending Balance	Units	APY Earned To Date
07/31/12	2121000726	H	07/26/00	\$1,150.00	\$1,777.87	76.05	\$1,853.92	.0478	5.44%
	2121001129	H	11/29/00	1,000.00	1,518.36	64.91	1,583.27	.0408	5.44%
	2121991008	H	10/08/99	810.00	1,300.45	55.69	1,356.14	.0350	5.39%
	2122020903	P	09/03/02	340.00	440.61	15.22	455.83	.0115	4.33%
	2122021001	P	10/01/02	340.00	440.30	15.21	455.51	.0115	4.37%
	2122021101	P	11/01/02	340.75	440.39	15.21	455.60	.0115	4.40%
	2122030303	B	03/03/03	370.00	442.86	11.39	454.25	.0112	3.25%
	2122030401	B	04/01/03	370.00	441.11	11.32	452.43	.0112	3.22%
	2122030501	B	05/01/03	370.53	440.01	11.20	451.21	.0111	3.20%
	2122030902	L	09/02/03	370.00	414.00	8.28	422.28	.0101	2.26%
	2121090501	L	05/01/09	250.00	NEW CD	1.25	251.25	.0059	2.02%
	Subtotal for Maturity 07/31/12				\$7,655.96	285.73	\$8,191.69	0.2076	14
	TOTAL COLLEGESURE CD ACCOUNT BALANCE:				\$7,655.96	285.73	\$8,191.69	15	16

9. **Interest.** Annual interest credited for this statement period. If the CD is a new CD purchased during this statement period, the interest credited is from the day of deposit to July 31, this year. (See endnotes for further information.)

10. **Ending Balance** per CD expressed in dollars after the activity for this statement period has been applied.

11. **Units.** This column lists the units you own and measures how much college you have purchased to date. (See endnotes for further information on this account feature.)

12. **APY Earned to Date.** This is the Annual Percentage Yield (APY) you have earned on each CD from the date of deposit to the current statement date. (See endnotes for more information.)

13. **New CD.** Indicates any CD purchased since the last annual statement. If the CD was purchased by means of an automatic deposit transfer from another financial institution, it is identified as ACH New CD.

14. **Subtotal for Each Maturity.** This is the total balance of all CDs for the given maturity date expressed in units and dollars.

15. **Total CollegeSure CD Account Balance.** After all individual CD information is detailed, a total account balance is provided.

(**Withdrawals** from your account will follow the CD that was withdrawn.)

16. **Interest Paid Year to Date.** The total interest paid on all the CDs in the account this year. This is the amount that will be reported to the IRS for the 2009 tax year and for which a 1099 will be issued to you in January 2010 (for accounts subject to current taxation).

**If you have any questions about your account, call a
College Savings Adviser toll-free at
800-888-2723.**