

September 19-21, 2007

ITEM 136-102-R0907

Approval of College Savings Bank InvestorSure CD as a Product Choice, Family Educational Savings Program

THAT:

The Board of Regents of Higher Education, as trustee of the Montana Family Education Savings Program and in accordance with Board of Regent Policy 950.2 and Montana law at §§ 15-62-203 and 20-25-902, approve the InvestorSure CD in accordance with the conditions set forth in this Item.

EXPLANATION:

The Board of Regents is responsible for adding and removing investment products based upon the recommendation of the College Savings Program Oversight Committee. The committee is recommending the approval of the new InvestorSure CD based upon these conditions:

1. The CD will have no fees.
2. The pre-payment penalty is not greater than 10% of the principal and does not apply to the earnings.
3. The cap on performance is not less than 85% of the S&P 500.
4. College Savings Bank will work to offer CDs of varying terms (not just 5-year and 7-year).
5. College Savings Bank will provide account holders with the ability to easily determine the present value of their investment, whether through the account statement or some other medium.
6. Prior to the InvestorSure CD being offered or marketed in Montana, College Savings Bank will obtain approval from a subset of the Oversight Committee consisting of, at a minimum, Lynne Egan, Jon Satre, and a qualified staff member of the Office of the Commissioner of Higher Education, of all disclosure documents and all advertising materials, including but not limited to direct mail pieces, website content, or other forms of marketing the InvestorSure CD to Montana residents.