



OFFICE OF THE
ARIZONA STATE TREASURER



KIMBERLY YEE
TREASURER

August 31, 2022

Dear Valued Customer,

As Arizona State Treasurer and Administrator of the AZ529, Arizona's Education Savings Plan, I am writing to notify you of important transition changes pertaining to the AZ529 Bank Plan offered by College Savings Bank (CSB), a Division of NexBank. CSB has been a contracted AZ529 program manager and valued State of Arizona partner since AZ529 was first created and launched in 1999.

As indicated in my October 18, 2021 letter to you, NexBank indicated in mid-2021 they no longer wished to offer 529 savings products through CSB after their AZ529 service provider agreement with the State of Arizona expired on October 23, 2021. Arizona Law, A.R.S. § 15-1874(D) gives the Arizona State Treasurer's Office (ASTO), in its capacity as AZ529 Plan Administrator, the authority to enter into contracts with selected service providers subject to the approval of the Arizona State Board of Investment (BOI) in its capacity as AZ529 Plan Trustee.

As a result of NexBank's decision, on September 28, 2021, the BOI approved and ASTO entered into a transition services agreement with CSB. As a result of this agreement, the following will occur:

- CSB will continue to service all CD products through their respective maturity dates.
- Any CSB CD products that mature between November 1, 2021, and November 30, 2022, will be automatically converted to Honors Savings Accounts, unless otherwise directed by the Accounts owners.
- CSB will service all Honors Savings Accounts until November 30, 2022, when management will be transitioned to Fidelity Investments.
- The BOI has approved the Fidelity Bank Deposit Portfolio product, which carries FDIC insurance, as the default replacement vehicle for CSB Honors Savings Account assets that are transferred. Account owners will also have the option of: 1) transferring their Honors Savings Account assets to another AZ529 product offered by Fidelity Investments, with or without FDIC coverage; or 2) rolling over their Honors Savings Account assets to another state's 529 plan, including plans offering FDIC-insured products.
- After each transfer, a savings transfer confirmation will be mailed to customers by CSB and Fidelity separately confirming the transfer. The confirmation will be sent to customers starting December 1, 2022, until the last CD product matures on July 31, 2037. After December 1, 2022, all CD products upon maturity will then be converted to an Honors Savings Account until the next quarterly transfer date to the Fidelity Bank Deposit Portfolio product.
- Participants will receive a confirmation, generated and delivered by Fidelity, of the purchase into the bank deposit portfolio.

Attached is more detailed information from CSB regarding the program transition and updated supplement. If you have any questions or require my Office's assistance, please contact us at 602-542-7529 or via e-mail at AZ529@aztreasury.gov. For CSB account specific questions, please call 1-800-888-2723.

Sincerely,

The Honorable Kimberly Yee
Arizona State Treasurer