

Fees. CSB does not charge fees. We no longer offer overnight delivery of checks or outgoing wires. Instead of overnight checks and wire transfers, we offer an ACH disbursement as an option.

Pursuant to agreements with CSB, various banking institutions, broker/dealers and financial planners act as agents or authorized representatives in effecting sales to their customers relating to the Program, and CSB has agreed to pay them a commission.

Depositors pay no commissions to any authorized representative in connection with purchases of CDs. The commissions are an expense of CSB and do not affect the amount of the customer's deposit. Savers who work through brokers are in the same position as those who work directly with CSB.

Lack of Immediate Liquidity. An investment in an Account is not the equivalent of a demand deposit in a checking account. An Account Owner may seek to withdraw funds from an Account. However, a check for the amount withdrawn (after reduction for possible early withdrawal penalties and tax withholdings) may be issued 30 days after CSB receives written notice of the request for the withdrawal.

ACH Plan and Payroll Deduction. Effective October 24, 2016, all contributions to the Accumulator Account through an ACH Plan and/or payroll deduction, and all balances from your Accumulator Account were transferred to the CollegeSure® Honors Savings Account. Your ACH Plan and/or payroll deduction continued uninterrupted and deposited into your CollegeSure® Honors Savings Account.

Effective October 24, 2016, we no longer offer new CollegeSure® CDs as a CD option; therefore, you cannot use funds from your CollegeSure® Honors Savings Account to purchase new CollegeSure® CDs. However, the CollegeSure® Honors Savings Account can be used to purchase new Fixed Rate CDs.

The change from Accumulator Account to the CollegeSure® Honors Savings Account was a program initiated change and will not, therefore, be considered one of your twice annual investment exchanges. See CollegeSure® Honors Savings Account for additional information.

Distributions. Account Owners must submit Distribution Authorization Form. You may call a Client Service Representative at 800-888-2723 to receive a Distribution Authorization Form or download the form from our website at www.collegesavings.com.

Distributions from a non-tax advantaged CollegeSure CD® account can be made with written notification. Withdrawals from an IRA CollegeSure® CD account require an IRA withdrawal statement. Generally, withdrawal requests will be processed within ten (10) business days.

Questions. Client Service Representatives can be reached Monday through Friday from 9AM EST – 6PM EST.

- Phone: 800-888-2723
- Fax: 214-481-1289
- Website: www.collegesavings.com
- Mail: 2515 McKinney Ave, Suite 1100, Dallas, TX 75201

The College Board's Independent College 500 IC 500® Index (IC 500®), published annually in July, describes the average total charge and annual rate of change for tuition, fees, room and board incurred by full-time freshman at the 500 independent four-year institutions which provide housing for at least 15% of their students, and whose aggregate charges for tuition, fees, room and board, multiplied by the number of full-time students, are the largest among all independent colleges. (It should be noted that students incur expenses at college beyond those included in the Index: transportation, books and supplies, personal care, for example).

This Index is one of several prepared by the College Board, using data collected in its Annual Survey of Colleges, which is intended to facilitate analysis and forecasting of college charges in various segments of higher education. The IC 500 Index is not necessarily representative of higher education institutions as a whole, nor of all independent institutions. A brochure describing its technical construction is available by mail upon request.

NexBank, and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

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CSBCSCD-T&C-1220

CollegeSure[®] Certificate of Deposit Terms and Conditions



College
Savings Bank[®]

Member FDIC

Important Update: The CollegeSure® CD was discontinued October 24, 2016. CollegeSure® CDs issued prior to October 24, 2016 will remain outstanding until their stated maturity date under the terms and conditions detailed below.

Product. CollegeSure® CDs are variable rate CDs indexed to the college inflation rate as measured by the IC500® index set by the College Board. The variable rate is subject to a Floor Rate. On October 24, 2016, all CollegeSure® CDs issued to an Account Owner for the same Beneficiary were consolidated into one CollegeSure® CD based upon maturity year within each applicable Account.

Issuer. All CDs and savings accounts are issued by College Savings Bank, a Division of NexBank (CSB). CSB's deposits are insured up to applicable statutory limits by the FDIC. Each CD is governed by the statutes, rules and regulations of the State of Texas and the FDIC.

FDIC Insurance. Your principal and accrued interest on a CD, for FDIC deposit insurance purposes, will be added to any other deposit accounts you hold at CSB in the same right and capacity and will be insured by the FDIC up to \$250,000 in the aggregate. For this purpose, all Accounts with the same Account Owner will be deemed to be held in the same right and capacity and will be combined for purposes of this \$250,000 limitation. FDIC deposit insurance is backed by the full faith and credit of the U.S. Government. Separate deposit insurance for accounts with the same Account Owner and Beneficiary may also be available in certain limited circumstances.

Maturity Date. The maturity date of each CollegeSure® CD is July 31 of the year in which the CD matures.

Interest Rate. CollegeSure® CDs pay interest each year they remain outstanding. The interest rate was established July 31, 2017, and serves as the Floor Rate for the remaining term of the CollegeSure® CD. Your Floor Rate will never be less than zero percent.

The interest rate will adjust each August 1 based upon the prior year rate and the change in the July 31 college inflation rate, as measured by the College Board's Independent College 500® Index (IC 500®) subject to the Floor Rate. The IC 500® index is published online at www.collegesavings.com.

Annual Percentage Yield (APY). The APY of each CollegeSure® CD is the greater of the Floor Rate or the prior year interest rate adjusted by the change in the July 31 college inflation rate as measured by the IC 500®. Under certain college inflation scenarios, you may receive a higher interest rate in the future as a result of the Conversion. If the college inflation rate decreases, your APY will not go below your Floor Rate. If the college inflation rate increases, your APY will increase accordingly. The maximum interest rate cap on all CollegeSure® CDs was eliminated October 24, 2016.

Accrual, Crediting and Compounding. Interest is calculated using the daily balance method which applies a daily periodic rate to the principal in the Account each day. Interest on each CollegeSure® CD is compounded and credited annually each July 31. No interest will be earned after the Maturity Date.

Options at Maturity. The CollegeSure® CD does not automatically renew. We will provide written notification at least 60 days before the Maturity Date. You must provide written instructions at least 30 days prior to the Maturity Date if you would like the proceeds upon maturity of the CollegeSure® CD to be invested other than in accordance with the default action described in this document. If you provide instructions in good order, funds will be disbursed from your Account no later than the first Business Day following the Maturity Date.

For IRAs and Coverdells, InvestorSure CD maturity proceeds will be held in a CollegeSure® Honors Savings Account by default. See CollegeSure® Honors Savings Account for additional information.

If we do not receive instructions, at maturity we will take the following default action:

- CSB will automatically transfer matured funds into a CollegeSure® Honors Savings Account until distribution or other investment instructions are provided by the Account Owner.

Alternatively, you may choose one of the following options at maturity:

- Transfer the matured funds to a 1-, 2- or 3-year Fixed Rate CD; or
- Rollover the matured funds into another qualified 529 program; or
- Take a Qualified or Non-Qualified Distribution of the funds.

Please note any actions other than taking a Qualified or Non-Qualified Distribution or a default action stated above could be considered one of your two allowable calendar year investment exchanges as per 529 plan rules.

Early Withdrawal. Upon 30 days prior written notice, you may take a Qualified or Non-Qualified Distribution, in whole or in part prior to the Maturity Date. No penalty will be imposed for early withdrawals on or prior to December 31, 2021. All principal withdrawals taken after the penalty-free period (December 31, 2021), are subject to an Early Withdrawal Penalty equal to 5% of the principal amount withdrawn.

In the final year of a CollegeSure® CD, the Early Withdrawal Penalty is 1% of principal withdrawn. An early withdrawal will reduce earnings. We retain the right to terminate a CollegeSure® CD if the withdrawal of principal from the CD would result in a balance of less than \$250.

In addition to an Early Withdrawal Penalty, if the withdrawal is a Non-Qualified Distribution, you may also be subject to the Distribution Tax.

Lifetime APY assumes interest remains on deposit until maturity.