



# Why Should You Maintain Homeowners Insurance After Paying Off Your Mortgage?

Consumer Education and Advocacy Unit

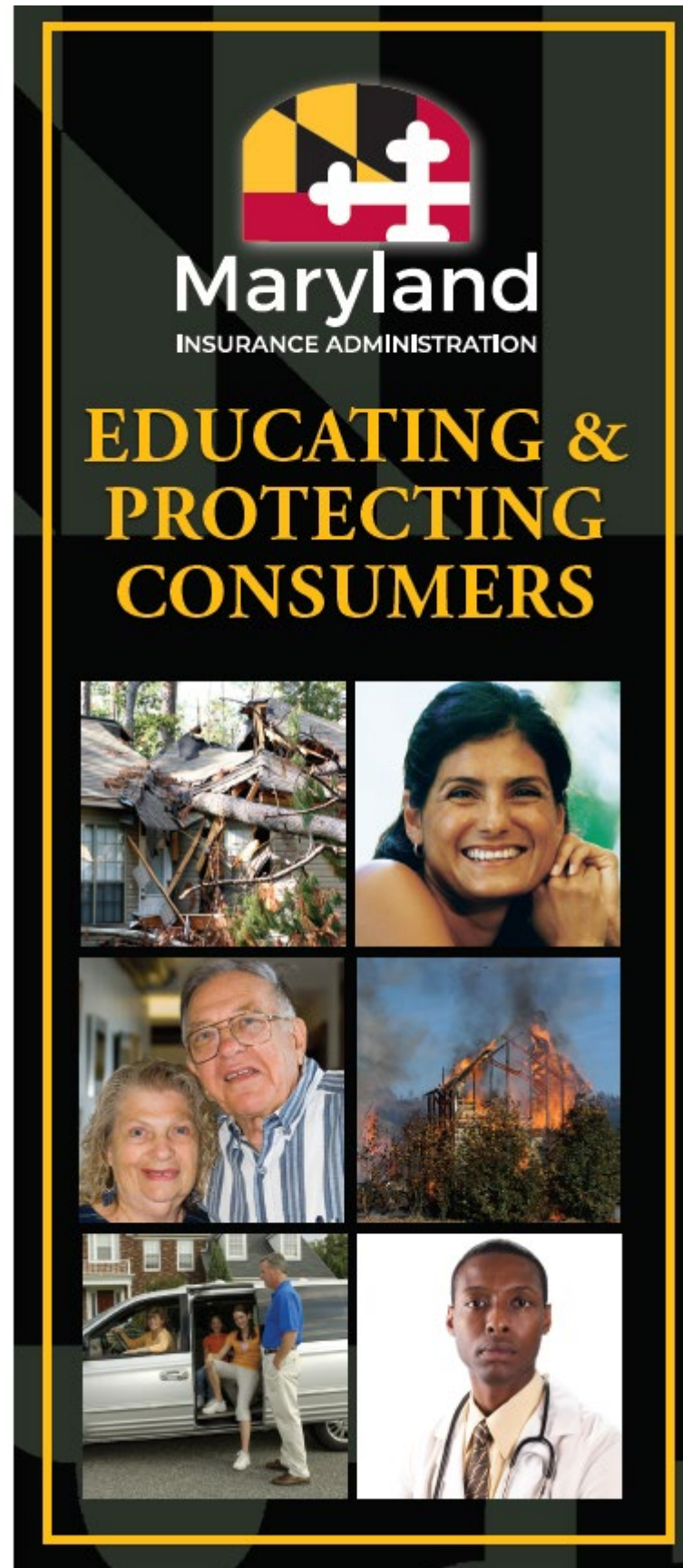
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This presentation does not provide legal advice. You should discuss specific questions with your trusted financial advisor or insurance producer.

# What is the Maryland Insurance Administration



The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:

Licenses insurers and insurance producers (agents or brokers).

Examines the business practices of licensees to ensure compliance.

Monitors solvency of insurers.

Reviews/approves insurance policy forms. Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.

Investigates consumer and provider complaints and allegations of fraud.

[Video: How the MIA can help](#)



# What is the Maryland Insurance Administration?

If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. Examples of improper actions include:

- Improperly denying or delaying payment of all or portions of a claim;
- Improperly terminating your insurance policy;
- Raising your insurance premiums without proper notice;
- Making false statements to you in connection with the sale of insurance or processing of insurance claims; and,
- Overcharging you for services, including premium finance charges.



# The Importance of Homeowners Insurance

As a homeowner, we know that our mortgage company required us to obtain a homeowners policy of insurance. Your mortgage company had an insurable interest in your home and the homeowners policy protected both yours and the mortgage company's investment. In the event the house was damaged by a covered peril, the insurance policy will pay to restore the property to its full value in most instances.

We sometimes hear from seniors who have dropped their homeowners insurance because they no longer have a mortgage and don't see the need to insure their home. They explain that the money they save is needed for other expenses.



# The Importance of Homeowners Insurance

Ask yourself, if you suffered a loss to your home, would you be able to pay to rebuild or even repair?

**We often think of insurance to pay to rebuild after a fire. Think about a smaller loss** such as a burst pipe or roof damage caused by wind and how much this expenses would cost you without a homeowners policy in effect.

Would you have the money to repair your home if those losses are in the tens of thousands of dollars?

What would you do and where would you go if tomorrow your home was uninhabitable due to a loss?



# You've Paid Off Your Mortgage!

- Paying off your mortgage is an exciting event, but it comes with new responsibilities.
- When you first purchased your home your lender likely required you to pay extra money each month to an escrow account – to pay for expenses such as your homeowners insurance.
- As the sole owner of your property now - you are now on your own to cover the cost of homeowners insurance.



# Why Did My Lender Require Homeowners Insurance?



- Your lender had the right to take possession of your property if you failed to make your mortgage payments.
- Homeowners insurance protected the lender's financial interest in your property.



# Why Do I Need Homeowners Insurance Now That I've Paid Off My Mortgage?



- While maintaining Homeowners insurance after you've paid off your home is not state or federally mandated, it is something you need to think carefully about before you cancel your insurance.
  - Your home is likely your largest asset.
  - Homeowners insurance is there to pay for damages covered under the policy.
  - Most people do not think about Homeowners insurance until they have a reason to use it.
  - Although we know that fires, theft, and other accidents occur, we tend to think, "Odds are, that will never happen to me."
  - Unfortunately, if you experience a loss and you don't have insurance, your finances may be ruined.

# What Does Homeowners Insurance Cover?

- **Homeowners insurance policies protect more than just the structure of your home.**
- **Common coverages found in a Homeowners policy include:**
  - **Dwelling:** This is the coverage that protects your home for loss caused by things like fire, wind, hail, vandalism, and many other perils. Not all perils are covered. For example, most Homeowners policies do not cover flood losses; you may want to purchase a separate flood insurance policy.
  - **Other Structures:** This is the coverage that protects other structures on your property that are not attached to the main dwelling, like a garage, shed or other out building.



# What does Homeowners Insurance cover?



- **Personal Property:** This coverage protects the contents of your home if they are damaged by a covered peril, including loss by theft.
- **Loss of Use:** This coverage will reimburse you for the increase in your living expenses, including the cost of alternate housing, if your home is uninhabitable as a result of a covered claim. Your policy will provide up to 12 months of coverage but is limited to the reasonable period of time needed to complete the repairs.

# What does Homeowners Insurance cover?



- **Liability:** This coverage protects you in the event you or a member of your family are legally responsible for an injury to another person or cause damage to another person's property.
  - Your Homeowners policy may provide that liability coverage in the policy is not limited to events that occur at your home; it may also provide protection to you and your family for claims against you due to your activities away from home.
- **Medical payments:** This coverage provides up to a specific benefit amount for medical expenses incurred by people injured in an accident in your home regardless of fault (does not apply to you or members of your household).

# What does Homeowners Insurance cover?



- **Trees, Shrubs and Plants:** Provides limited protection against damage to greenery on property, but only for certain types of losses.
- **Debris Removal:** Pays a limited amount to remove debris from damaged property if the damage that caused the debris is covered by your policy. Your policy may also pay to remove fallen trees that cause damage to your property, generally subject to a dollar limitation.
- **Mold Coverage:** May be covered if the mold arises out of a covered loss. Even if covered, mold damage may be limited to a specific maximum amount



# Shopping for Homeowners Insurance: Where Do I Start?

- Contact your Homeowners insurance company or your insurance producer!
- It's important that you provide the documentation they need to remove your lender from your insurance policy.
  - Your lender is a named policyholder on your contract; and thus, the lender would be entitled to payment if you filed a Homeowners insurance claim.
  - If your mortgage is satisfied, this money would eventually find its way to you.
    - Having the lender's name removed from your policy in advance can save you frustration and delays.



# Shopping for Homeowners Insurance: How Much Homeowners Insurance Do I Need?

- Homeowners insurance companies use a calculator based on factors like the age of your home, square footage, and building materials to calculate the replacement cost of your home...but there are still things for you to consider.
- Your dwelling coverage limit should be sufficient to rebuild your home from the foundation up in the event of a total loss.
- How much liability coverage do you want? Consider your assets and talk to a financial advisor if you need to.

# Shopping for Homeowners Insurance: How Much Homeowners Insurance Do I Need?

- **Do you have valuable personal property that needs to be scheduled, such as jewelry, furs, or coins?**
  - You should speak with your insurance company about scheduling those valuables separately.
- **What deductible can you afford?**
  - The higher your deductible the lower your premium, but make sure you have enough money in emergency savings to cover the deductible in the event of a claim.
  - Some policies have a separate deductible for wind, hurricanes and other storms, so be sure to ask about that.





# Shopping for Homeowners Insurance: Other Shopping Tips

- Be sure to understand the difference between **actual cash value (“ACV”)** and **replacement cost value (“RCV”) coverage** on your personal belongings.
  - Actual cash value coverage will pay you the value of your items after depreciation, but replacement cost value coverage will give you full replacement cost of your items, without depreciation after you have repaired or replaced the damaged item(s).
- Ask about **water backup coverage** for water that backs up through sewers and drains.
  - This is a common Homeowners insurance claim that can cost tens of thousands of dollars to clean up after.

# Shopping for Homeowners Insurance: Other Shopping Tips

- If you are planning on long vacations, or you have a second home where you spend time – look for language in the policy about vacant or unoccupied property, and talk to your insurance agent about your specific situation.
- Remember to read your policy, and ask questions if you need to! It could save you a lot of heartache in the future.



# Shopping for Homeowners Insurance: Other Shopping Tips

- **Maintain an inventory of all your possessions and regularly update it.**
  - Photograph and/or videotape each room and the exterior of your home.
  - Write down all the major items you own along with relevant information about them, such as the model and the serial number.
  - Attach sales receipts when available.
  - Safeguard these records – store them safely somewhere outside your home, such as a safe deposit box.

# Shopping for Homeowners Insurance: What Else Do I Need To Know?

- **Consider paying your insurance premium by automatic deduction from your bank account.** Some insurers offer a discount for this option and this can save potential disruptions if you choose to take a long trip or end up hospitalized for a period of time.
- **Ask your current insurance company if you qualify for discounts** like safety and security devices, multi-policy, or other available discounts.



# Shopping for Homeowners Insurance: What Else Do I Need To Know?



**Shop around!**

- You may be surprised at how much less you can pay with another company for the exact same coverage.
- Don't forget – you want an apples to apples comparison, make sure the quotes you get are for the same coverage



**Maryland**  
INSURANCE ADMINISTRATION

# Shopping for Homeowners Insurance: What Do I Need to Know?

- Don't forget to ask about **riders for earthquake and other optional coverage.**
- **Consider Purchasing Flood Insurance:**
  - You can learn about the risk to your own property at the National Flood Insurance Program (NFIP) website: [www.floodsmart.gov](http://www.floodsmart.gov) or call 888-379-9531. Talk to your agent or contact the NFIP directly.
    - Your home does not need to be located in a high-risk flood zone to be eligible for coverage. A high percentage of flood claims occur outside of designated high-risk flood zones.
    - Flood insurance protects against damages cause by surface flooding, with limited coverage for damage in basements.

# Lenders can “Force-place” property insurance coverage

If you finance the purchase of your home, your lender may require you to carry fire insurance on that property. If you do not purchase the insurance, your lender may force place coverage on you. The lender obtains insurance on the property and requires you to reimburse them for the cost of premiums paid. Forced-placed property insurance coverage generally protects only the interest of the lender and not you, the property owner.



# If you have problems obtaining a homeowners insurance policy

If you have been turned down by one insurer for homeowners insurance, try obtaining coverage through another insurer or other insurers. Do not assume that you will be turned down by all insurers. Just as insurers have different premiums, they also have different underwriting requirements. Call around and keep trying to obtain an insurance policy.

If you are unable to obtain insurance for your home from a private insurer, limited insurance protection may be available through the Maryland Property Insurance Availability Program, known as the:

Joint Insurance Association (JIA)

3290 North Ridge Rd Suite 210

Ellicott City MD 21043

410-539-6808 800-492-5670 [www.mdjia.org](http://www.mdjia.org)



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# In Conclusion...

You may not like paying for insurance – but the consequences of not having it can be devastating.

You could quickly erase the good decisions you've made in the past, and eliminate the benefits from the hard work you put in while paying off your home.

We hope and encourage you to think about the possible consequences of potential catastrophic losses that could severely affect your overall finances before you decide to cancel your homeowners insurance.



# Contact Us

We're here to assist with all of your insurance questions or issues.

Contact us to verify the insurer or insurance producer you select is authorized to sell insurance in Maryland to protect yourself from fraud.

Maryland Insurance Administration

410-468-2000

800-492-6116

[www.insurance.maryland.gov](http://www.insurance.maryland.gov)



**Maryland**  
INSURANCE ADMINISTRATION



# UNDERSTANDING YOUR RIGHTS: FORECLOSURE AND REVERSE MORTGAGES

Office of the Commissioner of Financial Regulation,  
Maryland Department of Labor

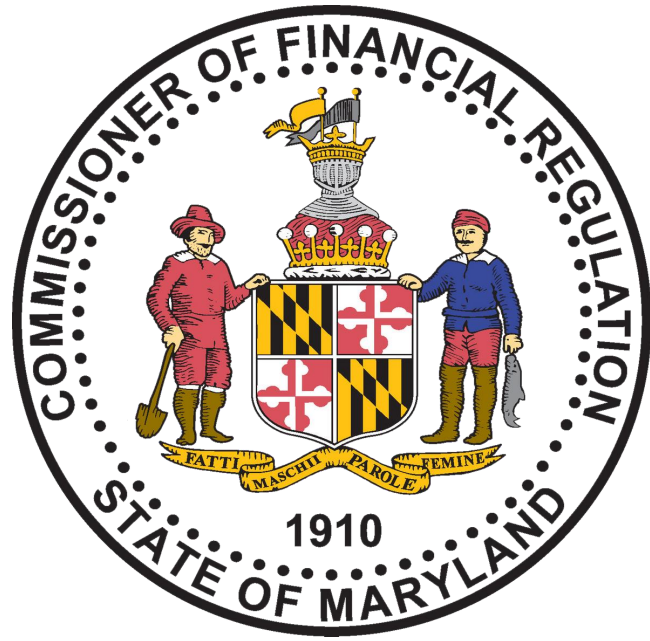
Meredith Merchant, Director of Outreach and Education

April 28, 2021

**The views expressed in this presentation are those of the presenter(s) alone and do not necessarily reflect the position of the Commissioner of Financial Regulation or the Secretary of the Maryland Department of Labor.**

**This presentation contains general information only, and is not legal or financial advice.**





# DISCUSSION OUTLINE

- About Our Office
- Foreclosure
- Reverse Mortgages
- COVID-19 Financial Relief
- Contact Us

**TODAY'S  
HIGHLIGHTS**



**The Office of the Commissioner of Financial Regulation is Maryland's consumer financial protection agency and financial services regulator.**

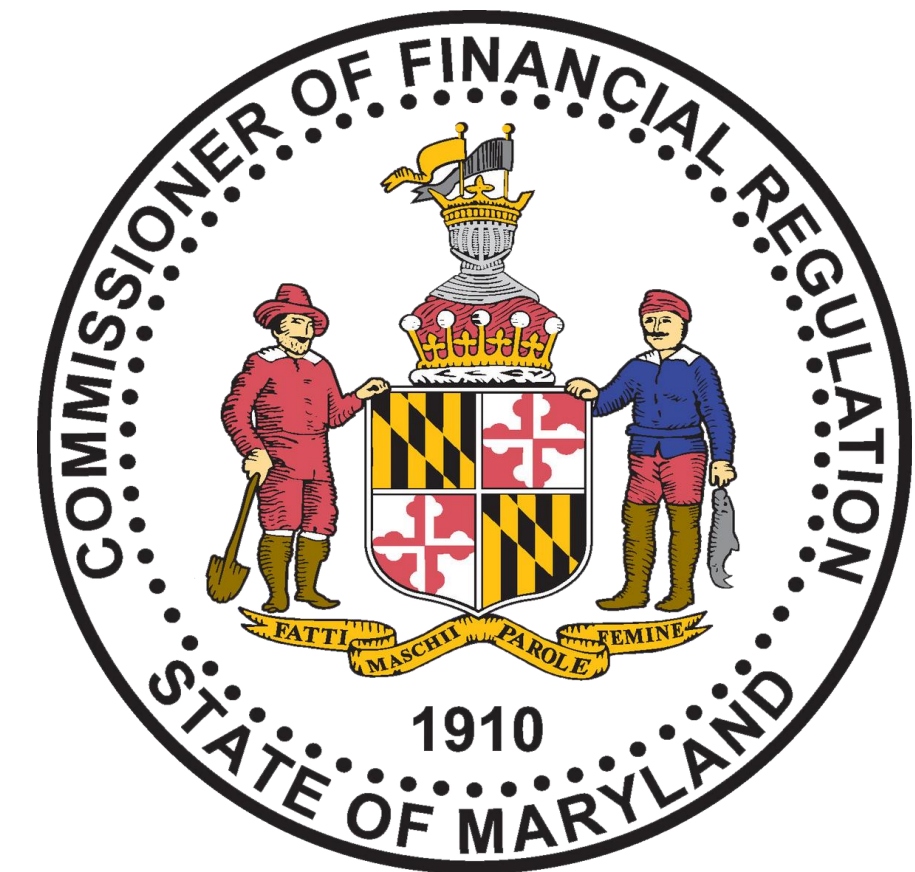
## **CHARTER, LICENSE, REGISTER**

Responsible for chartering, licensing and registering certain individuals and businesses providing financial services to Maryland consumers.

## **EXAMINE, INVESTIGATE, SUPERVISE**

Conducts periodic examinations and investigations to ensure compliance with state and federal laws and regulations, including investigating consumer complaints.

# **ABOUT OUR OFFICE**





# REGULATED INDUSTRIES AND ACTIVITIES

## CHARTERED, LICENSED OR REGISTERED BUSINESSES

- Maryland-chartered banks and credit unions
- Mortgage lenders, servicers, brokers
- Mortgage loan originators
- Check cashers and money transmitters
- Collection agencies
- Consumer and installment lenders
- Consumer credit reporting agencies
- Debt management and credit services
- Sales financing companies ... and others

## ADDITIONAL AUTHORITIES

- Student Loan Ombudsman
- Foreclosure relief and loss mitigation fraud

## WHAT IS FORECLOSURE?

- Foreclosure is the legal process in which a lender files a case seeking authority to sell the mortgaged property, in order to generate funds to repay the amount owed on a defaulted loan.
- A mortgage default is often due to missed payments, but could be any violation of the terms of the mortgage document.
- Foreclosure process varies by state.

# FORECLOSURE

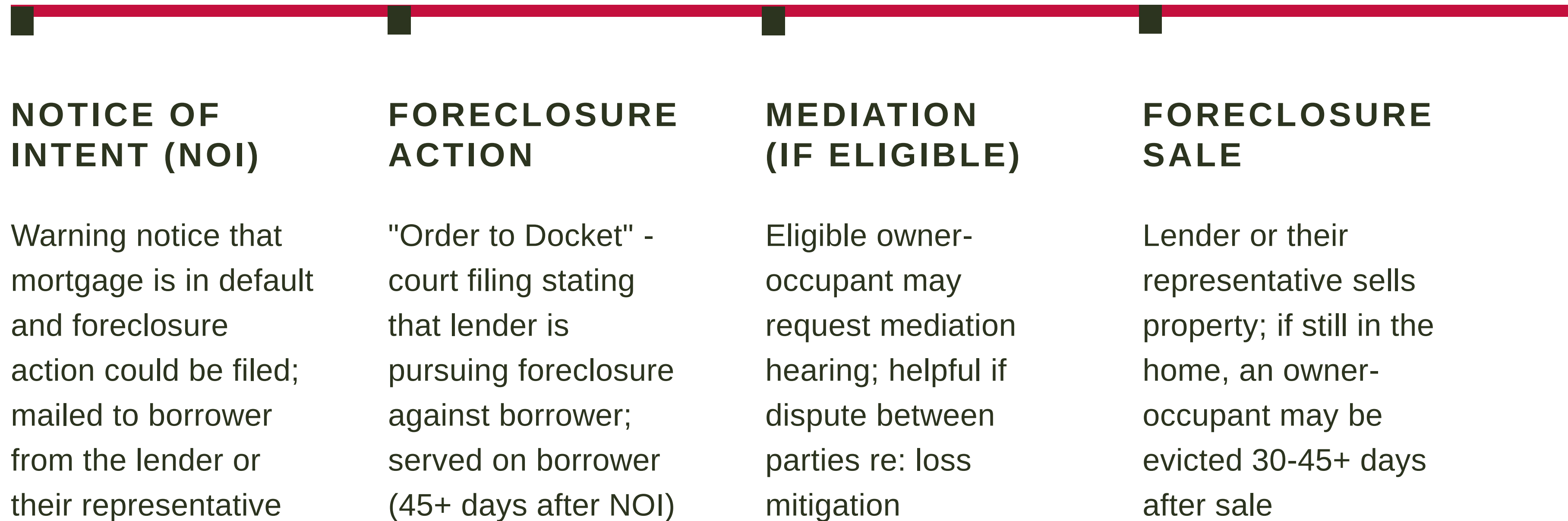






# MARYLAND FORECLOSURE PROCESS

This is a **SUMMARY** of the mortgage foreclosure process for residential properties in Maryland. This graphic is not a depiction of the full and complete foreclosure process. Some information has been removed for simplicity.





# UNDERSTANDING FORECLOSURE ALTERNATIVES

## FORECLOSURE ALTERNATIVES

Your "loss mitigation" options will vary - ask lender

- Reinstatement
- Forbearance or deferment
- Loan Modification
- Pre-foreclosure sale
- Deed-in-lieu... and other options possible

**MD HOPE HOTLINE**  
**1-877-462-7555**  
**referrals for housing**  
**counseling help**

## FORECLOSURE RELIEF SCAMS

Typical warning signs of foreclosure scams:

- Unsolicited offer guaranteeing loan modification or other mortgage assistance relief
- Requiring you pay an upfront fee before service
- Requiring you to make payments to a third party instead of the lender or mortgage company

## WHAT IS A REVERSE MORTGAGE?

- A reverse mortgage allows older homeowners to borrow money against the equity in their home.
- The lender disburses payments to the homeowner. Depending on the payout structure, the interest rate can be adjustable or fixed. There are closing costs and fees.
- To be eligible, the primary borrower must be at least 62 years old, the home must be their primary residence, and there must be sufficient equity in the home.

# REVERSE MORTGAGES





# UNDERSTANDING REVERSE MORTGAGES

## WHEN DOES THE LOAN BECOME DUE?

- Death of borrower - surviving spouse may remain if certain criteria is met; must notify lender
- Occupancy - when home is no longer the primary residence of borrower
- Unpaid taxes and insurance - if property taxes and homeowners insurance are not paid
- Deferred maintenance - if home is not maintained

## HOUSING COUNSELING IS REQUIRED

- Completion of homeowner education from certified housing counselor is required prior to getting a reverse mortgage (Maryland law)
- Contact U.S. Dept. of Housing and Urban Development to find a reverse mortgage housing counselor: 1-800-569-4287

## MORTGAGE RELIEF

Payment forbearance for federally-backed mortgages, must request before June 30, 2021

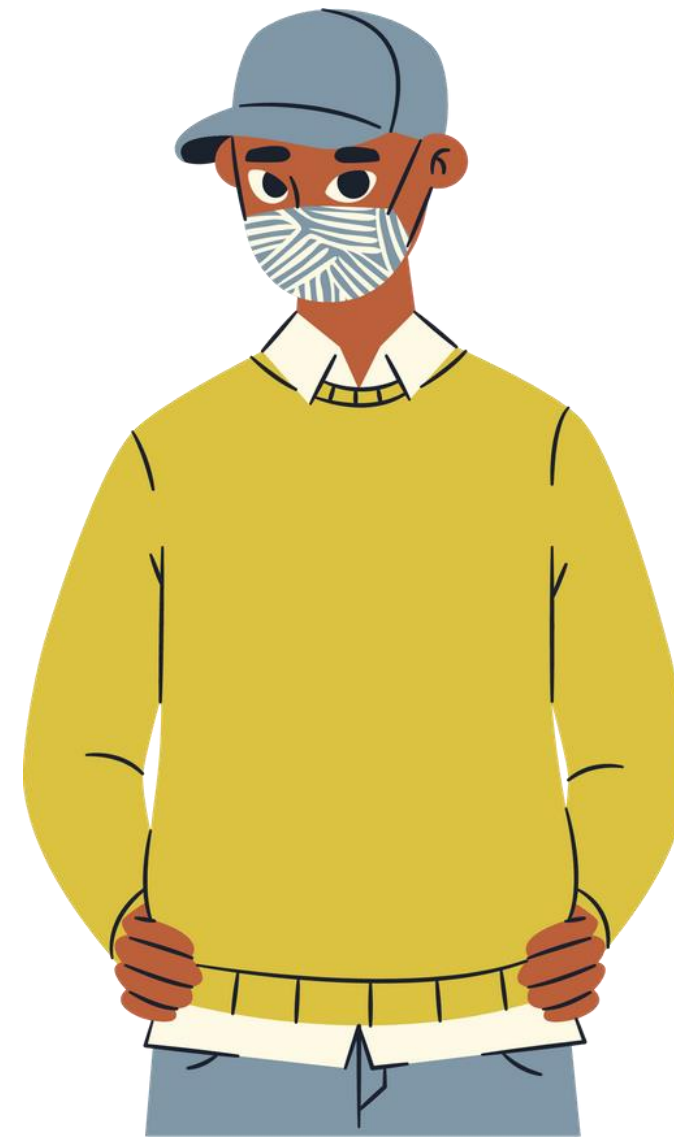
## FORECLOSURE MORATORIUM

Prohibition on new foreclosures ~~until May 4~~ through June 30, 2021 – borrowers should not receive "notice of intent"

MORE COVID-19 FINANCIAL RELIEF  
INFORMATION ON OUR WEBSITE:

[www.labor.maryland.gov/finance/consumers/frcovid.shtml](http://www.labor.maryland.gov/finance/consumers/frcovid.shtml)

# COVID-19 FINANCIAL RELIEF



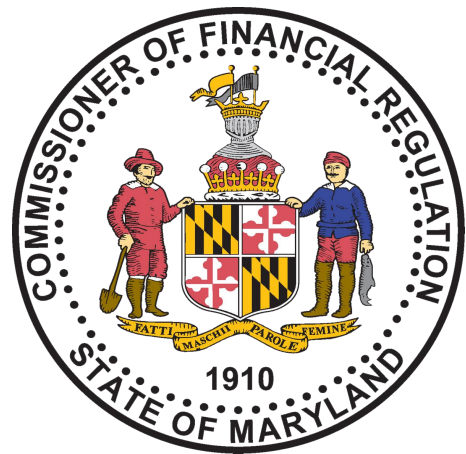
**DO YOU HAVE A  
COMPLAINT ABOUT  
A FINANCIAL  
SERVICES PROVIDER  
OR ACTIVITY?**



**PLEASE VISIT OUR WEBSITE AT [WWW.LABOR.MARYLAND.GOV/FINANCE](http://WWW.LABOR.MARYLAND.GOV/FINANCE)  
OR EMAIL [DLFRCOMPLAINTS-LABOR@MARYLAND.GOV](mailto:DLFRCOMPLAINTS-LABOR@MARYLAND.GOV).**



# CONTACT US



Office of the  
Commissioner of  
Financial  
Regulation



## OFFICE ADDRESS

500 N. Calvert Street, Suite 402  
Baltimore, MD 21202

## PHONE NUMBER

(410) 230-6100

## E-MAIL ADDRESS

[DLFRFinReg-LABOR@maryland.gov](mailto:DLFRFinReg-LABOR@maryland.gov)

## WEBSITE

[www.labor.maryland.gov/finance](http://www.labor.maryland.gov/finance)

# Maryland529

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Maryland Senator Edward J. Kasemeyer Prepaid College Trust

Maryland Senator Edward J. Kasemeyer College Investment Plan

Information Session





# Why Save for College?

## SAVING

A family choosing to invest about **\$86 per month for 15 years** in a 529 plan would have made a total out-of-pocket investment of about \$15,500.

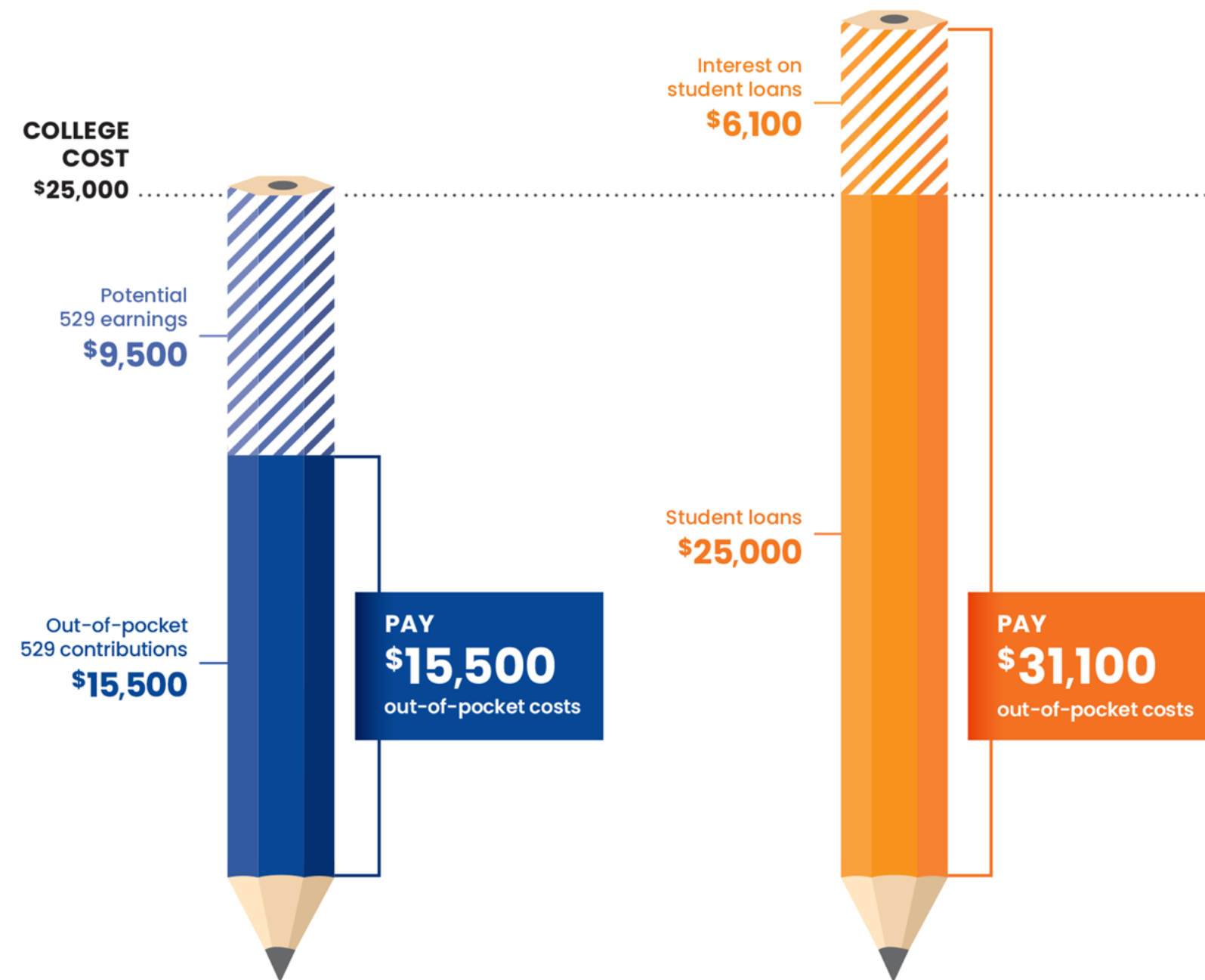
With potential earnings, this could amount to \$25,000 to use toward college expenses. A hypothetical 6% annual return is assumed.

vs.

## BORROWING

A family choosing to borrow might pay about **\$259 per month over 10 years** for a total out-of-pocket cost of nearly \$31,100 for \$25,000 in loans.

This assumes a 4.53% interest rate on subsidized Federal direct undergraduate loans, which do not accrue interest during college.



**By saving early, you could pay \$15,600 less out-of-pocket**

This chart is for illustrative purposes only and does not project or predict the return of any specific investment option. Returns in a college savings plan will vary and may be higher or lower than in this example. Making automatic monthly contributions does not assure a profit or protect against loss in a declining market. This example does not consider any investment or loan origination fees. Amounts are rounded. The loan interest rate is based on a Federal direct undergraduate loan disbursed in July 2018. Other loan arrangements could have different rates or terms.



# Maryland 529 Overview

An independent, non-profit Maryland State Agency, overseen by a 11-member Board , that offers two 529 college savings plans to help families prepare for the future cost of education and reduce potential debt.



## Maryland Prepaid College Trust (MPCT)

Contract plan that allows you to prepay college tuition managed by the State of Maryland



## Maryland College Investment Plan (MCIP)

Broad range of investment options managed by T. Rowe Price, an investment leader with more than 80 years of experience

## BOTH PLANS

- Offer the “**Save here, Go anywhere**” benefit. Savings can be applied to any U.S. college, even international universities that have a federal school code.
- Offer State and federal tax incentives:
  - Any investment growth is tax-deferred at the State and federal level
  - Earnings are Maryland and federal tax-free\* when funds are used for eligible qualified education expenses

*\* There may be tax implications for Maryland taxpayers that take a distribution for the education loan of a sibling of the beneficiary. Check with your tax professional.*



## QUESTION:

How does each Plan work?



# Maryland Prepaid College Trust (MPCT)

**The freedom to secure tomorrow's college tuition based on today's prices.**

- Start with as little as a one semester plan.
- Your benefits can be used both in or out of State.
- Your payments may be eligible for a Maryland State income tax deduction of up to \$2,500 per year, per Account.
- It's backed by a **Maryland Legislative Guarantee.**





# MPCT Benefits

Full MPCT benefits generally pay for Tuition and mandatory fees for the tuition plan that you purchased, provided:

- the Beneficiary enrolls in college as a half-time or full-time student;
- at least 3 years have passed since you purchased your MPCT contract; and
- all payments have been satisfied.

## Covered Expenses:

- If your Beneficiary attends a **Maryland Public College**, the MPCT will pay the full in-state or in-county Tuition and mandatory fees at that college.
- If your Beneficiary attends an eligible **private or out-of-state college**, the MPCT will pay the actual Tuition each semester (or the equivalent) up to a maximum of one half of the **Weighted Average Tuition** in the tuition plan you purchased OR your **Minimum Benefit**, whichever is greater. You would then have to make up any difference.



# Maryland College Investment Plan (MCIP)

**The freedom to choose how much and how often you want to invest based on your budget and education savings goals.**

- \$25 to open an Account
- Variety of Investment Options, managed by T. Rowe Price
- No loads, sales charges, commissions, enrollment fees, or annual account fees
- Your payments may be eligible for a Maryland State income tax deduction of up to \$2,500 per year, per Beneficiary.
- Received Morningstar's Silver rating<sup>1</sup>
- Direct deposit from your bank account or payroll (if offered by employer)



<sup>1</sup> See last page



# MCIP

## Eligible Educational Institutions:

- 4-year Colleges and Universities (In-State or Out-of-State)
- 2-year Community Colleges
- Trade or Technical Schools
- Certified Apprenticeship Programs - fees, books, supplies, and equipment
- K-12\* public, private, or religious school
  - Limited to \$10,000 per year, per Beneficiary for tuition

## Covered Expenses:

- Any qualified education expense of the Beneficiary, outlined by the IRS Publication 970. For higher education, generally includes tuition, room & board, fees, books and supplies

*\*While distributions from 529 college savings plans for elementary or secondary education tuition expenses are federally tax-free, state tax treatment will vary and could include state income taxes assessed, the recapture of previously deducted amounts from state taxes, and/or state-level penalties. You should consult with a tax or legal professional for additional information.*



## **QUESTION:**

What are the State tax benefits unique to Maryland 529?



# ANSWER: Maryland State Income Deduction

## MPCT:

- Deduct up to \$2,500 from your Maryland adjusted gross income per Account each year.
- Payments in excess of \$2,500 per Account can be carried forward and deducted in future years until the full amount has been deducted.



## MCIP:

- Deduct up to \$2,500 from your Maryland adjusted gross income per Beneficiary each year.
- Payments in excess of \$2,500 per Beneficiary can be carried forward and deducted for up to the next 10 years.

The example on the right is based on Parent 1 opening an MCIP and MPCT plan for a single Beneficiary and Parent 2 making an additional contribution to both plans.



### Two Available Plans: Maryland College Investment Plan (MCIP) and Maryland Prepaid College Trust (MPCT)

Eligibility: Each family member who opens a new Account or contributes to an existing Account may be eligible for income deductions.	Plans	Parent 1 Account Holder 	Parent 2 Account Contributor 	Estimated Tax Saving
Contributions: Contribute to both plans to increase income deductions.	MCIP	\$2,500	\$2,500	\$190* x 2
	MPCT	\$2,500	\$2,500	\$190* x 2
Deductions: Deduct up to \$2,500 for each beneficiary in MCIP plan and/or each MPCT contract. Deductions apply to Maryland taxable income for the parent's contributions in that tax year.	<div style="display: flex; justify-content: space-around;"> <span>\$5,000</span> <span>\$5,000</span> </div> <div style="text-align: center; margin-top: 10px;"> <p><b>\$10,000</b> combined annual income deduction**</p> </div>		<div style="text-align: center; margin-top: 10px;"> <p><b>\$760</b> total State and local tax savings on \$10,000 deduction</p> </div>	

\*Note that this is a hypothetical scenario assuming a 7.6% State and local tax rate with no federal deduction. The amount of savings from your income deduction may vary. \*\*Account Holders and contributors can each deduct contributions regardless of their marital status or tax filing status (individual or joint). A contributor need not be a parent or family member of the beneficiary to be eligible for the income deduction.

Account Holders and Contributors are eligible for the Maryland income deduction on contributions they make. If you received a Save4College State contribution in a given tax year however, you are not eligible to receive Maryland State income deductions for contributions to any MCIP Account made in that same year.



## QUESTION:

Are there age or  
residency restrictions?  
When can I open an  
Account or enroll?

# ANSWER: Age, Residency, and Enrollment Vary by Plan

## MPCT

## MCIP

### Age

Open to 12th graders or younger, including newborns

Open to adults or children of any age, even before they are born

### Residency

Either the Account Holder or child must reside in Maryland or DC at the time of enrollment

No Maryland or DC residency requirements

### Enrollment Period

**2020-2021 Enrollment Period:  
December 1, 2020 – June 30, 2021**

Enrollment open year-round if your child is under age 1, or if you already have a Maryland 529 Account.

**Enrollment open year-round**



**You may choose either plan – or both**



## QUESTION:

Would I lose my savings if my student doesn't go to college or gets a scholarship?

# ANSWER: You have options.

## MPCT

- Apply to cover other eligible expenses – books, room & board
- Defer use until graduate school
- Transfer Unused Benefits to a relative of the beneficiary (by blood or marriage)
- Transfer to MCIP
- Request a Refund\*

## MCIP

- Apply to cover other eligible expenses – books, room & board
- Defer use until graduate school
- Transfer to a relative of the beneficiary (by blood or marriage), including yourself
- Take a Distribution\*

*\*There may be federal and/or state tax effects. Please consult with your tax professional before taking a distribution or receiving a refund in these cases.*



## QUESTION:

If I elect to take a refund or distribution for non-qualified expenses, will there be tax consequences?

# ANSWER: Yes

## Student Receives Scholarship, Grant, Tuition Remission or Attends Military Academy

- Income Tax on the **earnings** if equivalent amount is withdrawn
- Recapture MD income deduction on the **principal**

## Student Doesn't Attend School

- Income Tax on the **earnings**
- 10% Penalty on **earnings**
- No penalty for disability or death
- Recapture MD income deduction on **principal**
- See MPCT Specific information below

## MPCT Specific

If the child does not receive a scholarship, grant or tuition remission and does not have a qualified exception (death or disability), the account holder may choose to receive a Reduced Refund as follows:

Your actual payments, less any administrative fees and benefits used, plus or minus:

- 50% of the earnings/losses on those payments if enrolled < 3 years
- 90% of the earnings/losses on those payments if enrolled ≥ 3 years



## QUESTION:

How do I open an Account or enroll?



# ANSWER: Enrollment

## MPCT

**Step 1** Select a Tuition Plan

**Step 2** Select a Payment Option

**Step 3** Apply online at



**Maryland529.com**

-or-

Complete an enrollment form for each child you want to enroll by the end of the enrollment period

**2020-2021 Enrollment Period:  
12/1/20 – 6/30/21**



Please read the entire Enrollment Kit before deciding to open an Account.

## MCIP

**Step 1** Choose one or more investment options

**Step 2** Choose how much and how often you want to contribute

**Step 3** Apply online at



**Maryland529.com**

-or-

Complete an enrollment form for each child

**Open an Account any time.**

# Questions? Contact Us

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**Maryland Senator Edward J. Kasemeyer Prepaid College Trust**

**Maryland Senator Edward J. Kasemeyer College Investment Plan**

[Maryland529.com/Contact-Us](https://Maryland529.com/Contact-Us)

888.4MD.GRAD (463.4723)

*Enrolling in the Maryland 529 Plans is an important decision for you and your family. Please read the entire Enrollment Kit carefully before deciding to enroll. The Maryland Senator Edward J. Kasemeyer Prepaid College Trust and Maryland Senator Edward J. Kasemeyer College Investment Plan disclosure statements provide investment objectives, risks, expenses and costs, fees, and other information you should consider carefully before investing. If you live outside of Maryland, you should consider any college savings program offered by your home state or your Beneficiary's home state prior to making a decision to invest in the Maryland 529 Plans. The home state may offer state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan. T. Rowe Price Investment Services, Inc., Distributor/Underwriter, Maryland Senator Edward J. Kasemeyer College Investment Plan.*

<sup>1</sup> Morningstar analysts reviewed 61 plans for its 2020 ratings (10/27/20) of which 11 plans received a "Silver" rating. To determine a plan's rating, Morningstar's analysts organized their research around four key pillars: Process, People, Parent, and Price. Plans were then assigned forward-looking ratings of "Gold," "Silver," "Bronze," "Neutral," and "Negative." Each year, certain of the industry's smallest plans are not rated. Visit this site, [https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/Morningstar\\_Analyst\\_Rating\\_Methodology\\_071020.pdf](https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/Morningstar_Analyst_Rating_Methodology_071020.pdf) for additional information about Morningstar's methodology.

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