



Dear GET Customers,

Yesterday the GET Committee met for a second time since the passing of the College Affordability Act at the close of the legislative session in early July, which lowers the cost of tuition at Washington's public colleges and universities. Four key items were discussed at this meeting:

- 1) Returning the Amortization Fee paid by customers who purchased units at \$163 or greater since 2011 in anticipation tuition would increase.
- 2) Waiving the program's refund fees and two year holding period.
- 3) Refunding customers' contributions if greater than the current payout value.
- 4) Delaying of new unit sales for a period up to two years.

After hearing from GET staff and customers, the Committee discussed these action items at length and took action on the following two items:

1) The Committee authorized the refund of the amortization fee paid by customers who purchased units at \$163 or greater.

Since 2011, GET customers have paid an amortization fee as part of the unit purchase price. This fee was charged to ensure the program's funded status recovered after the impacts of the Great Recession and years of double-digit tuition increases at state universities.

The program's funded status has fully recovered, and this amortization amount is no longer needed. As such, the overpayment will be refunded to every customer with unredeemed units purchased at \$163/unit or greater. **Customers entitled to an amortization refund do not need to take action in order to claim this refund at this time.** It will be an automated refund sent to all accounts that qualify in the form of a check issued to the GET account owner. Customers should expect to receive their refunds by the end of December.

Customers with Custom Monthly Plans at a purchase price of \$163 per unit or greater will automatically receive a cash refund of the amortization fee for the number of units they have accrued to date. Ongoing future monthly payments will be adjusted to a new lower amount based on the reduced unit price without the amortization fee. Once the amortization refund is completed in December, customers will be notified of their new monthly payment amount so that adjustments to automatic withdrawals can be made with their financial institutions.

The refund amount per unit is listed below, which is directly correlated to the original amortization amount paid per unit:

Year Units Purchased	Refund Amount Per Unit
05/01/2011 - 06/30/2012	\$ 18.70
07/01/2012 - 06/30/2013	\$ 19.73
7/01/2013 - 06/30/2014	\$ 20.82
07/01/2014 - 06/30/2015	\$ 20.82

2) The Committee authorized the delay of new unit sales for a period not to exceed two years effective July 1, 2015. Continued payments on Custom Monthly Plans established prior to July 1, 2015 shall be allowed.

GET will not accept applications for new GET accounts and current customers will not be able to purchase any new units until the restriction has been lifted. All accounts opened or contributions made after June 30, 2015 will be refunded to the account owner. **One exception is that customers with existing Custom Monthly Plans may continue to make monthly payments in order to keep accruing units they have under contract.**

This unit purchase delay has been designed and implemented to ensure GET customers are protected pending potential changes to the program. GET is currently conducting a legislatively mandated feasibility study to evaluate future options for the program. More specifically, the feasibility study is intended to answer the following questions:

- How does GET continue to protect customer account values after two-year payout value is unfrozen?
- What is the impact of decreasing tuition rates on GET's funded status and future unit price?
- What are some alternatives and impacts for changing the program's distribution policy from tuition and fees to a cost of attendance metric?
- What is the feasibility and impact of establishing a 529 college savings plan?
- What are some potential alternatives and impacts for whether the state penalty for withdrawal should be changed?

Answers to these questions must be researched and developed by December 1, 2016 and will be presented to the Legislative Fiscal and Higher Education Committees. It is important the program has answers to these questions before it considers selling new units.

More Decisions to Come at the September 1st GET Committee Meeting

Moving forward the GET Committee chose to address the following two options at the September 1st meeting in order to gather more information over the course of the next two weeks:

1.) Waiving the GET program refund fees and two year holding period.

The GET Committee is considering allowing customers to have the option to refund all or a portion of the funds in their accounts without program refund penalties or fees, through December 15, 2016. Additionally, the Committee is considering waiving the two-year waiting

period that typically applies to all accounts before they can be refunded. This gives customers who are concerned about the tuition policy changes the opportunity to move their savings into another program, such as a 529 savings plan.

2.) Refunding customer's their contributions if their contributions are greater than the current payout value.

The GET Committee is also considering allowing customers with unredeemed units to refund their account(s) before December 15, 2016 and receive the current unit payout value of \$117.82/unit or the amount of their contributions, whichever is greater. Refunds of contributions include finance charges paid by customers with Custom Monthly Plans, if these finance charges caused the effective unit price to be greater than \$117.82 per unit.

With both of these items the GET Committee is considering providing a 16 month window to take advantage of these options, so that account owners are able to evaluate the outcomes from the feasibility study and any new programs or offerings that might be offered by the state before having to make a decision regarding their GET account.

As the program moves forward, the GET Committee will look at a number of longer-term solutions to the issues outlined in the feasibility study in an effort to benefit customers and the overall financial health of the program. Yesterday's decisions are just the first of several actions the GET Committee will take to fulfill the program's mission of helping families save for college.

We appreciate your patience and understanding. Please know that the Committee's number one priority is the best interests of our customers. As information and more details become available, we will be sure to share updates with you.

Sincerely,
Betty Lochner
GET Director

P.S. Dates and times for the upcoming GET Committee meetings are as follows:

Tuesday, September 1, 2015

Cherberg Building, Capitol Campus
Senate Hearing Room 1
2 p.m. to 4 p.m.

Wednesday, October 7, 2015

Cherberg Building, Capitol Campus
Senate Hearing Room 3
2 p.m. to 4 p.m.

Thursday, December 3, 2015

Cherberg Building, Capitol Campus
Senate Hearing Room 3
1 p.m. to 3 p.m.