CollegeSavings MPACT
MISSISSIPPI

PROGRAM DESCRIPTION, RULES, REGULATIONS & PROCEDURES

ADOPTED BY:

The College Savings Plans of Mississippi Board
(Formerly Known As The Mississippi Prepaid Affordable College Tuition Board)

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The Mississippi Prepaid Affordable College Tuition Program
C/O The Mississippi Treasury Department
P.O. Box 120
Jackson, MS 39205-0120

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION (MPACT) PROGRAM

PROGRAM DESCRIPTION, RULES, REGULATIONS & PROCEDURES

Section 1
Program Description

The Mississippi Prepaid Affordable College Tuition (MPACT) Program was established as an agency and instrumentality of the State of Mississippi by the 1996 Mississippi Legislature as a program to assist Mississippians in saving for some of the costs associated with a college education. The purpose of the program is to encourage and foster higher education in Mississippi and for Mississippians. The program's statutory authority and purpose are controlled by Sections 37-155-1 to 37-155-27 of the Mississippi Code (As Amended).

The prepaid tuition program, commonly known as MPACT, is administered by the College Savings Plans division of the Mississippi Treasury Department, under the administrative authority of the State Treasurer and with the guidance of a Board of Directors. Through the MPACT Program, parents, grandparents and other interested parties may purchase prepaid tuition contracts. The MPACT contract provides for the payment by the MPACT Trust Fund of undergraduate tuition, for a specified number of years or semesters, and for the payment of Mandatory Fees, for a specific number of academic terms, on behalf of a Beneficiary for whom the contract is purchased.

The cost of an MPACT Contract is based primarily on the average current and projected tuition and mandatory fees rates at public senior colleges, universities, junior colleges and community colleges in the State of Mississippi, and on the number of years expected to elapse between the purchase of a contract and the exercise of the benefits provided in the contract by the beneficiary. The Board of Directors established the costs of MPACT contracts in accordance with actuarial assumptions adopted by the Board at the recommendation of independent actuaries.

Payments by MPACT contract purchasers are placed in the MPACT Trust Fund in the State Treasury and are combined and invested by the State Treasurer with the goal of yielding, at a minimum, sufficient income to generate the difference between the prepaid amount and the cost of in-state tuition and mandatory fees at the time of actual enrollment of the beneficiary. The MPACT Contract Purchaser receives periodic statements reflecting amounts paid into the Trust Fund.

The State of Mississippi also operates another college savings program, know as the Mississippi Affordable College Savings (MACS) Program. This document is intended to describe and apply to only the MPACT Program. Information on MACS can be obtained by contacting the Office of the State Treasurer.

Section 2
Location of MPACT Offices

MPACT's physical office is located on the eleventh (11th) floor of the Woolfolk State Office Building, 501 N. West Street, Jackson, Mississippi, 39201. The mailing address for correspondence and applications is MPACT, P.O. Box 120, Jackson, MS 39205-0120. The mailing address for contract payments is MPACT, P.O. Box 1199, Jackson, MS 39215-1199. Office hours are 8:00 A.M. through 5:00 P.M., Monday through Friday, except for legal State Holidays. Persons may obtain forms, publications, and documents by writing to, visiting, or calling the MPACT Office at 601-359-5255 or 1-800-987-4450. Information regarding the MPACT Program is also available on the internet at www.collegesavingsmississippi.com.

Section 3
Program Administration

MPACT is administered as part of the State Treasury Department under the direction of a Board of Directors. The College Savings Plans of Mississippi Board of Directors is composed of nine (9) voting members. Five board members are appointed by the Governor, one from each of the State's congressional districts. The other four *ex-officio* board members are the State Treasurer, the Executive Director of the Department of Finance and Administration, the Commissioner of Higher Education, and the Executive Director of the Community and Junior College Board. There are also four legislative advisors to the Board, two appointed by the Lieutenant Governor and two appointed by the Speaker of the House of Representatives.

The Board, in conjunction with a qualified actuarial firm, has constructed the prices of MPACT contracts and has developed payment schedules for MPACT contract purchasers, in accordance with the actuarial assumptions recommended by the Actuary and adopted by the Board.

The fiscal year of the MPACT Program corresponds to the fiscal year of all other state entities, *i.e.* July 1st through June 30th. Each fiscal year, the Board will evaluate, or cause to be evaluated, the actuarial soundness of the Trust Fund. The Board will prepare a report on an annual basis setting forth an accounting of the Trust Fund and a description of the financial condition of the Trust Fund.

In carrying out Board Policies, it is the intent of the Board that the objectives are; first to protect the fiscal integrity of the trust fund; and, second to be fair and equitable to the purchaser. Whenever possible, procedures adopted should be a combination of these factors which achieve both objectives. Under the provisions of Mississippi Code Ann., §37-155-9(ee), the Board has delegated to the State

Treasurer the power to make decisions within the above guidelines on the details of interest, conversion, administrative fee, matriculation and refund calculations for the MPACT Program.

Section 4
The Trust Fund

The MPACT Trust Fund was established as a separate fund in the State Treasury to receive payments by MPACT contract purchasers in accordance with MPACT contracts, legislative appropriations, as well as contributions, gifts and bequests by businesses or individuals. All monies deposited into this Trust Fund are invested by the State Treasurer in accordance with statute and the Investment Policy of the Board.

Section 5
The Administrative Fund

An Administrative Fund, separate from the Trust Fund, was established in the State Treasury to provide for the administrative costs of the MPACT Program. The Mississippi Legislature must appropriate an annual transfer from the earnings of the Trust Fund to the Administrative Fund to provide for the administrative costs of the Program for that fiscal year. In general, administrative fees or penalties paid by contract purchasers are transferred to the Administrative Fund and are used to defray the administrative costs of the Program.

Section 6
Definitions

In these rules, regulations and procedures of the MPACT Program, the following terms shall be defined as follows:

6.00 **"Academic School Year"** means three quarters or two semesters of a twelve month school year.

6.01 **"Actuarial Assessment"** means an additional contract amount assessed by the State Treasurer to preserve the actuarial soundness of the Trust Fund. For an unpaid or partially paid lump sum account, this amount will be a percentage of the outstanding balance per month determined by the actuary. For the reinstatement of a Monthly Payment Plan the actuarial assessment is the difference between the present value of the prescribed monthly payments and the present value of the payments actually made by the purchaser. The actuarial assessment for a change in length of a monthly payment contract is the difference between the present values of the contract payments of the old and new payment schedules.

6.02 **"Administrative Fees"** means those fees, listed in Section 12, which are assessed to the MPACT Contract Purchaser upon making application for enrollment in the MPACT Program; upon making changes in the ordinary services provided under the MPACT Program; or upon making changes in MPACT Contract information provided to the State Treasurer. Administrative fees include any other fees designated as Administrative by the State Treasurer.

6.03 **"Application"** means a request for acceptance into the MPACT Program, made on a form, or a duplicate of the form, prepared by the State Treasurer.

6.04 **"Application Processing Fee"** means the processing fee, specified in Section 12.011, paid by the MPACT Contract Purchaser upon application for entrance into the MPACT Program.

6.05 **"Cancellation"** means voluntary discontinuation of the Purchaser from the MPACT Program and voluntary discontinuation of the Qualified Beneficiary's right to receive benefits under an MPACT Contract, when requested by the Purchaser, so long as the Purchaser has provided at least thirty (30) days' written notice to the State Treasurer and has submitted all applicable Administrative Fees.
An MPACT contract may also be involuntarily canceled for any of the following:
- The Purchaser fails to make payments pursuant to the Master MPACT and/or the Participation and Payment Schedule;
- The Purchaser fails to make a contract payment within forty-five (45) days of the first payment due date following the close of the MPACT Enrollment period during which the MPACT Application was submitted.

6.06 **"Current Tuition Value"** means the weighted average of undergraduate In-state Tuition and Mandatory Fees at the four-year Institution's of Higher Education for senior college contracts and it means the weighted average of In-state Tuition and Mandatory Fees at the two-year Institution's of Higher Education for community/junior college contracts.

6.07 **"Contract Purchaser"** means any adult person, corporation, trust, charitable organization or other Entity eligible to purchase an MPACT Contract, and who is obligated to make MPACT Contract payments and Administrative Fee payments in accordance with the MPACT Contract. MPACT Contract payments may be made by someone other than the designated Contract Purchaser.

6.08 **"Disability of the Purchaser"** means disability as defined in the applicable rules, regulations, and guidelines of the Social Security Administration.

6.09 **"Disability of the Qualified Beneficiary"** means a disability which, based on the findings of a qualified health care professional, and on approval of these findings by the Board, renders the Qualified Beneficiary incapable of participating in higher education.

6.10 **"Enrollment Period"** means any period designated by the Board during which Applications for enrollment in the MPACT Program will be accepted by the State Treasurer.

6.11 "Immediate Family" for purposes of these rules means any of the following relations of the Qualified Beneficiary:

-brother	-legally adopted brother
-sister	-legally adopted sister
-half brother	-step-brother
-half sister	-step-sister

Effective on and after January 1, 2002, first cousins also will qualify as members of the immediate family of the Qualified Beneficiary.

6.12 "Independent/Private In-state Postsecondary Institution" means any in-state regionally accredited private four or two year college located in Mississippi.

6.13 "In-state Tuition Rate" means the tuition rate charges to a student who meets the in-state residency requirements established by the Board of Trustees of State Institutions of Higher Learning or the individual school attended by the student.

6.14 "Institution of Higher Education" means any college or university listed in Section 7 and any other college or university in Mississippi which is recognized as an Institution of Higher Education by the Board of Trustees of Institutions of Higher Learning and the Commissioner of Higher Education, whether or not such an institution is listed in Section 7.

6.15 "IRC § 529" means Section 529 of the Internal Revenue Code of 1986, as amended.

6.16 "MACS Program" means the Mississippi Affordable College Savings Direct Program or the Mississippi Affordable College Savings Advisor Program.

6.17 "Mandatory Fees" means those fees required as A CONDITION OF ENROLLMENT for ALL students attending the Postsecondary Institution in which the Qualified Beneficiary is enrolled and to which the Trust Fund payments will be made on behalf of the Qualified Beneficiary. Those fees charged to all students may include, but are not limited to, athletic fees, activity fees, health center fees, etc. Those fees which are unique to a particular student or group of students such as lab fees are not considered to be mandatory. The term "Mandatory Fees," as used herein, does not include charges for books, supplies, room, or board even if the Postsecondary Institution attended by the Qualified Beneficiary requires all students to pay such charges. Additionally, the term "Mandatory Fees" does not include application entrance fees paid to Postsecondary Institutions when the Qualified Beneficiary applies for enrollment or orientation fees.

6.18 "Master MPACT Contract" means the legal document which specifies the terms and conditions of the MPACT Program.

6.19 "MPACT Contract" refers collectively to the MPACT Application, the Master MPACT Contract, and the Participation and Payment Schedule. Additional documents relating to the MPACT Contract, issued or received by the State Treasurer, and pursuant to the various terms and conditions described, will be incorporated into the MPACT Contract.

6.20 "Official Change Period" means any period so designated by the Board during which the MPACT Contract Purchaser may submit a written request for approval of changes in MPACT Contract terms, conditions, or information. Such changes may include, but are not limited to, changes in the Participation and Payment Schedule; changes in information provided on the MPACT Application, the Master MPACT Contract, or on other MPACT documents; changes in payment method; and similar types of requests. Changes may be made outside of an Official Change Period only with the approval of the State Treasurer.

6.21 "Out-of-State Postsecondary Institution" means any out-of-state regionally accredited private four or two year college or an out-of-state regionally accredited, state-supported, nonprofit four or two year college or university.

6.22 "Participation and Payment Schedule" means the document, prepared by the State Treasurer, which defines the frequency, duration, and due date of MPACT Contract Payments, based on information provided by the Purchaser on the MPACT Application.

6.23 "Postsecondary Institution" means an accredited public educational Associate of Arts or baccalaureate degree-granting postsecondary institution, or a private independent Associate of Arts or baccalaureate degree-granting college or university, or an out-of-state Associate of Arts or baccalaureate degree-granting college or university.

6.24 "Projected College Entrance Date" means the Academic School Year following the Qualified Beneficiary's projected high school graduation and is the earliest date for utilization of MPACT Contract benefits without written approval from the State Treasurer and subject to the provisions of Sections 11.011, 11.012 and 11.03 herein. The Projected College Entrance Date is calculated by the State Treasurer based on information provided by the Purchaser in the MPACT Application. The State Treasurer will provide the Qualified Beneficiary's Projected College Entrance Date to the Purchaser.

6.25 "Qualified Beneficiary" means an individual who meets all Beneficiary eligibility criteria as specified in Section 9.00 and who is designated by the purchaser of an MPACT contract to be the recipient of MPACT contract benefits. All references to the Contract Beneficiary within these Rules, Regulations and Procedures assumes that the Beneficiary meets the Beneficiary eligibility requirements of MPACT, and is, therefore, a Qualified Beneficiary.

6.26 "Qualified Tuition Plan" or **"QTP"** means a college savings plan operated by a state or an instrumentality of a state that qualifies under IRC § 529. QTP's may also be called "529 Plans." The Board has established two qualified tuition programs: The Mississippi Prepaid Affordable College Tuition (MPACT) Program and the Mississippi Affordable College Savings (MACS) Program.

6.27 "Redemption Value" means the amount of refund which shall include but not be limited to the amount paid in and an additional amount in the nature of interest at a rate that corresponds to the prevailing interest rates for savings accounts provided by banks and savings and loan associations. The Board may impose reasonable charges for such withdrawal or refund. All relevant Administrative Fees, including, but not limited to, Cancellation Fees, Termination Fees and Account Maintenance Fees, will be deducted from contract payments before calculation of the Redemption Value.

6.28 "Resident" means a person who has established legal residence in the State of Mississippi, that is, the place where he actually resides with the intention of remaining there indefinitely or of returning there permanently when temporarily absent. A beneficiary is considered a resident for purposes of tuition regardless of the beneficiary's residence on the date of enrollment. However, for contracts entered into after July 1, 2003, this provision only applies to nonresident beneficiaries if (a) the original purchaser was the parent, grandparent or legal guardian of the beneficiary; or (b) the beneficiary was a resident of Mississippi at the time the contract was purchased.

6.29 Rollover means a non-taxable transfer between QTP's as allowed under IRC § 529

6.30 "Scholarship," "Partial Scholarship" or "Full Scholarship" means grants, gifts, or other financial aid awarded to a Qualified Beneficiary in an amount sufficient to pay a portion or all of the same benefits as are guaranteed under an MPACT Contract. A loan is not considered a scholarship.

6.31 "Substitute Beneficiary" means an individual named by the MPACT Contract Purchaser to receive, in place of the originally named Qualified Beneficiary, the benefits guaranteed under the MPACT Contract and who meets the eligibility criteria specified in Section 9.02.

6.32 "Termination" means involuntary discontinuation of the Purchaser from the MPACT Program and involuntary discontinuation of the Qualified Beneficiary's rights to receive benefits under an MPACT Contract. An MPACT Contract may be Involuntarily Terminated for any of the following reasons:

- The Purchaser or Beneficiary has made a material misrepresentation of information;
- The Purchaser or Beneficiary has provided false information to the MPACT Program;
- The Purchaser has requested or accepted any form of compensation, fee, commission, service charge or any other form of payment or remuneration for entering into a contract for the benefit of a nonresident beneficiary; or
- Such other reasons as the State Treasurer may reasonably impose.

6.33 UTMA or UGMA mean the Uniform Transfer to Minors Act or the Uniform Gift to Minors Act.

Section 7
Mississippi Public Colleges and Universities

These Rules, Regulations, and Procedures apply to Purchasers and Qualified Beneficiaries of MPACT Contracts for the prepayment of tuition and Mandatory Fees, as defined in Section 11.01, at any of the State's public four year colleges and universities, public junior colleges, public community colleges, public technical colleges, and public senior colleges. These Institutions of Higher Education currently are as follows:

Four Year Public Institutions of Higher Education:

Alcorn State University
Delta State University
Jackson State University
Mississippi State University
Mississippi University for Women
Mississippi Valley State University
University of Mississippi
University of Southern Mississippi

Two Year Public Institutions of Higher Education:

Coahoma Community College
Copiah-Lincoln Community College
East Central Community College
East Mississippi Community College
Hinds Community College
Holmes Community College
Itawamba Community College
Jones County Junior College
Meridian Community College
Mississippi Delta Community College
Mississippi Gulf Coast Community College
Northeast Mississippi Community College
Northwest Mississippi Community College
Pearl River Community College
Southwest Mississippi Community College

Section 8
Contract Purchaser

8.00 Eligibility of Contract Purchaser - The Purchaser must be of legal age and capacity to enter into a legal contract. If the Qualified Beneficiary is a resident of Mississippi as defined in Section 6.28, the Purchaser need not be a resident. If the Qualified Beneficiary is not a Resident of Mississippi, the Purchaser must be a Resident of the State as defined in Section 6.28. Other determinations may be mandated as set forth in Section 20.

8.01 Nonacceptance of the Purchaser's Application - A prospective Contract Purchaser may be denied the right to enter into an MPACT Contract: (a) if the Purchaser does not meet the qualifications set forth in Section 8.00; (b) if the MPACT Contract violates local, state, or federal laws; (c) if the proposed Beneficiary is not a Qualified Beneficiary in accordance with Section 9; (d) if the Board determines that it is advisable to limit the number of MPACT Contracts; (e) if the Contract Purchaser fails to submit the MPACT Application during an official MPACT Enrollment Period; (f) if the Contract Purchaser fails to submit the Application Processing Fee; (h) if the purchaser has requested or accepted any form of compensation, fee, commission, service charge or any other form of payment or remuneration for entering into a contract for the benefit of a nonresident beneficiary; (g) if the Contract Purchaser submits an Application with incomplete information; or such other reasons as may be determined by the State Treasurer or the Board.

8.02 Number of Purchasers Per Contract - Only one individual may be named on the MPACT Application and in the MPACT contract as the MPACT Contract Purchaser. Joint Purchasers are not permitted. However, if a given application and contract purchases less than five years of tuition on behalf of a given Qualified Beneficiary, other persons who qualify as Purchasers as defined herein may purchase an additional contract(s) for the same Qualified Beneficiary, provided that the total number of years of tuition purchased for the Qualified Beneficiary does not exceed five years as defined in Section 11. Each year or multiple of years purchased by a different Purchaser for the same Qualified Beneficiary will be treated as a separate contract.

8.03 Transfer of MPACT Contract Ownership to Another Purchaser- All requests to transfer ownership of the MPACT Contract to a different Purchaser must be submitted, in writing, to the State Treasurer. The request must contain the signatures of both the current Purchaser and the Purchaser to whom ownership of the Contract is being transferred, unless the Purchaser has died or become disabled and cannot furnish a signature. If the current Purchaser has died or become disabled, proof of death or Disability, in such form as deemed acceptable by the State Treasurer, must accompany the written request for a change in Purchaser in lieu of the current Purchaser's signature. Any request for a change in Purchaser must also contain the MPACT Contract Number as well as the name, address, social security number, and telephone number of the new Purchaser. The request must also be accompanied by the applicable Administrative Fee(s) as described in Section 12.00 and 12.016. See Section 9.04 for additional restrictions applicable to UTMA/UGMA accounts.

If the current Purchaser has died or becomes disabled, the request for transfer of Contract ownership should be submitted to the State Treasurer within six (6) months of the death or Disability. Failure to submit the request within six months may result in involuntary Termination of the MPACT Contract. The refund provisions of Section 15.07 will apply.

8.04 No Direction of Investments - A Purchaser or Beneficiary of an MPACT Contract may not directly or indirectly direct the investments of their contribution to the program or any earnings thereon.

8.05 No Pledging of Interest as a Security - No interest in an MPACT contract or any portion thereof may be pledged as security for a loan.

Section 9
Qualified Beneficiary

9.00 Beneficiary Eligibility - An individual may be named the Beneficiary of an MPACT Contract if such individual meets all of the following requirements:

1.) The individual is (a) a resident of the State of Mississippi as defined in Section 6.28; or (b) a nonresident if the Purchaser is a resident of the State of Mississippi.
2.) The individual is eighteen (18) years of age or younger on the first day of the MPACT Enrollment Period in question.
3.) The individual has been born at the time the Application is submitted.
4.) The Beneficiary must not have yet enrolled at a Postsecondary Institution.

A beneficiary may be a U.S. citizen, a permanent resident alien, or a dependent of a U.S. citizen or of a permanent resident alien.

9.01 Evidence of Residency - A Contract Purchaser must execute a statement in the MPACT Application that the Beneficiary is a resident of Mississippi or a nonresident if the Purchaser is a Mississippi Resident.

Purchasers may be asked to furnish proof of the Beneficiary's residency. Failure to provide proof of the Beneficiary's residency may result in automatic Termination of the MPACT Contract and suspension of the Qualified Beneficiary from the MPACT Program.

Submission of any of the following documents, upon request, will be considered as sufficient to establish the residency status of the Qualified Beneficiary:

If the Beneficiary is one year old or younger:

A.) A birth certificate indicating that the Qualified Beneficiary was born in Mississippi.
B.) Or any other documentation that the State Treasurer deems appropriate.

If the Beneficiary is over the age of one:

C.) A progress report from the Mississippi preschool or Mississippi day care center of the Beneficiary; or

D.) A school report card or transcript from a Mississippi public or private school.

For Purchasers who are in the Military and are stationed outside of Mississippi, military documents evidencing that Mississippi is their home of record will satisfy the provisions of this section.

9.02 Beneficiary Substitutions - The benefits of an MPACT Contract may be transferred to an Eligible

Substitute Beneficiary. To qualify as eligible, the Substitute Beneficiary must meet all of the following requirements:

1.) The individual is (a) a resident of the State of Mississippi as defined in Section 6.28, or (b) a nonresident if the Purchaser is a resident of the State of Mississippi;
2.) The individual is eighteen (18) years of age or younger
3.) The individual has been born at the time the Application is submitted;
4.) The Substitute Beneficiary must be a member of the Immediate Family of the original Qualified Beneficiary as defined in Section 6.18.

Requests for transfer of the MPACT Contract benefits to an Eligible Substitute Beneficiary must be in writing. All requests for Beneficiary substitutions should be submitted with documentation evidencing the relationship of the Substitute Beneficiary to the Purchaser or the Original Qualified Beneficiary.

In general, transfer of MPACT Contract benefits to a Substitute Beneficiary is limited to transfer to a Qualified Beneficiary whose Projected College Entrance Date is the same date or a later date than the Projected College Entrance Date of the originally named Beneficiary. The benefits of an MPACT Contract may be transferred to an Eligible Substitute Beneficiary whose Projected College Entrance Date will occur prior to the Projected College Entrance Date of the originally named Beneficiary in the following cases: (a) In the event of death of the originally named Qualified Beneficiary; (b) in the event that the originally named Qualified Beneficiary becomes Disabled; or (c) in the event the originally named Qualified Beneficiary receives a Full or Partial Scholarship, the terms of which cover all or a portion of the same benefits provided under MPACT Contracts. If the Purchaser contemplates transfer of Contract Benefits to a Substitute Beneficiary who is older than the originally named Qualified Beneficiary and/or whose Projected College Entrance Date will occur prior to the Projected College Entrance Date of the originally named Qualified Beneficiary, written application for special consideration must be made to the State Treasurer. Proof of age, death, or Disability, or receipt of Scholarship by the original Qualified Beneficiary should be furnished in such form as required by the State Treasurer at the time the request for substitution of the Qualified Beneficiary is submitted.

If the request for Beneficiary substitution is approved, an additional Actuarial Assessment determined to be necessary to insure the actuarial soundness of the Trust Fund may be assessed. Assessment of this additional amount will be made at the time the request for special consideration is approved. Any additional amounts must be paid before the State Treasurer will make the Beneficiary Substitution. Once this additional amount is paid, the Contract Purchaser may resume making payments as originally scheduled before the substitution occurred.

If the Contract Purchaser has established a monthly payment plan, and the MPACT Contract benefits are transferred to an Eligible Substitute Beneficiary whose college entrance date precedes the final Contract Payment under the monthly payment schedule, the Substitute Beneficiary may not use any MPACT Contract benefits unless the contract is paid in full. The Purchaser will be required to pay off the monthly payments, in full, and any outstanding Administrative Fees, in order for the Substitute Beneficiary to utilize any MPACT Contract benefits. In the event the Purchaser elects a lump sum payment schedule, the contract must still be paid in full, including all additional Actuarial Assessments, and all Administrative Fees, in order for the Substitute Beneficiary to utilize any MPACT Contract benefits.

A non-refundable Administrative Fee, as described in Section 12.015, may be assessed for the transfer of MPACT Contract benefits to an Eligible Substitute Beneficiary. The Fee must be submitted by the Purchaser at the same time that the written request for substitution of Beneficiary is made.

9.03 Beneficiary Substitution After Contract Benefits Have Been Utilized by the Original Beneficiary. Once a portion of contract benefits have been used, beneficiary substitution may be allowed only if the proposed substitute beneficiary meets the requirements for substitution as set out in Section 9.02, at least 15 semester hours of tuition benefits remain on the contract, and the substitute beneficiary does not already have an MPACT contract. A request for beneficiary substitution must be made prior to graduation of the original beneficiary.

9.04 UTMA or UGMA Accounts. The MPACT Trust Fund may receive amounts transferred from an UGMA, UTMA or other account established for the benefit of a minor. It is the responsibility of the Purchaser to comply with all relevant Federal or state laws regarding UTMA or UGMA accounts Purchasers should be mindful of the following UTMA restrictions:

(A) The custodian will be required to sign the MPACT Application Form in the custodian's representative capacity as a custodian;

(B) The custodian is not allowed to change the Beneficiary of a Contract (directly or by means of a rollover distribution);

(C) The custodian is not allowed to change the Purchaser of a Contract from the custodian to anyone other than a successor custodian without providing MPACT with a court order directing the change;

(D) The custodian must complete an UTMA/UGMA form in addition to the MPACT Application Form;

(E) The custodian is required to notify MPACT when the Beneficiary is legally entitled to take control of the account. At that time, the Beneficiary would be able to conduct the same account transactions as non-UTMA Purchasers; and

(F) The custodian is allowed to request a refund only in accordance with the UGMA/UTMA rules, which may indicate that any funds withdrawn must be used for the benefit of the Beneficiary.

Section 10
Application

10.00 MPACT Enrollment Period - An MPACT Contract may be purchased during a valid Enrollment Period. The Enrollment Period shall commence and terminate on dates set by the Board.

10.01 Application - Any individual desiring to enter into an MPACT Contract on behalf of a Qualified Beneficiary must submit a completed Application to the State Treasurer. The Application will be considered incomplete and will not be accepted unless it is accompanied by the Application Processing Fee described in Section 12.011. The MPACT Application Form is hereby incorporated by reference.

By completing the application and submitting the Application Processing Fee, the Purchaser is making application to enter into an MPACT Contract. The MPACT Application will become part of the formal Contract between the MPACT Program, on behalf of the Board, and the Purchaser. After review and acceptance of the Application by the State Treasurer, the purchaser will be mailed a Participation and Payment Schedule. Both of these documents become part of the formal Contract between MPACT and the Purchaser.

To be complete, an Application must be accompanied by the Application Processing Fee and must contain all of the information that the State Treasurer determines is necessary for proper administration of the enrollment process. The MPACT Contract will be valid at such time as the State Treasurer accepts the Purchaser and Beneficiary into the Program and transmits a Participation and Payment Schedule to the Purchaser.

10.02 Naming the Qualified Beneficiary - Unless specifically exempted by the State Treasurer a Purchaser must name the Qualified Beneficiary in the MPACT Application at the time the Application is submitted. Only one (1) Qualified Beneficiary is allowed per MPACT Contract.

The Purchaser does not have to designate the Postsecondary Institution that the Beneficiary will attend until such time as the Qualified Beneficiary matriculates and in accordance with Section 11.03. If more than one (1) Purchaser has submitted an Application for the same Beneficiary, the State Treasurer will determine which Application is accepted on behalf of the Qualified Beneficiary.

Section 11
The MPACT Contract

11.00 General - The MPACT Contract shall consist of the completed Application, the Master MPACT Contract, and the Participation and Payment Schedule. Additional documents, as described in Section 6.19, will be incorporated into the MPACT Contract.

11.01 Contract Benefits - The MPACT Contract guarantees, unless otherwise stated herein, payment by the Trust Fund of In-state Tuition and Mandatory Fees on behalf of the Qualified Beneficiary of the MPACT Contract, to the Postsecondary Institution in which the Qualified Beneficiary matriculates.

The MPACT Contract guarantees the following:

1.) Payment of In-state Tuition of not more than five years (defined as 160 semester hours) OR payment of In-state Tuition until award of a baccalaureate degree to the Qualified Beneficiary, whichever comes first; AND

2.) Payment of Mandatory Fees for not more than ten (10) registrations on a semester system, fifteen (15) registrations on a quarter system, or the completion of 160 semester hours or the academic equivalent units on a quarter system of other academic term basis, or until award of a baccalaureate degree to the Qualified Beneficiary, whichever comes first.

Any credit hours paid by the Trust Fund on behalf of a Qualified Beneficiary reduce the remaining available credit hours under the MPACT Contract. Even if the credit hours paid by the Trust Fund on behalf of the Beneficiary are not counted by the Beneficiary's Postsecondary Institution toward a college degree, the credit hours paid by the MPACT Trust Fund will, nevertheless, decrease the remaining number of credit hours available for utilization under the MPACT Contract.

Should the Purchaser cancel the contract and request a refund subsequent to the payment of any tuition on the behalf of the Beneficiary, but before total usage of the contract benefits as described above, partial usage will be calculated based on the number of credit hours used and the per credit hour charge originally paid by the purchaser for purposes of establishing the refund amount due.

The MPACT Contract does not cover fees and costs related to dormitory housing or any other type of housing. The MPACT Contract does not cover meals, books, transportation, supplies, college application or entrance fees, or orientation fees. The Contract also does not cover miscellaneous fees such as health fees, athletic fees, fraternity or sorority fees, or laboratory fees unless these fees qualify as Mandatory Fees as defined in Section 6.17. No graduate program, continuing education program, professional degree program, or adult education program is available under the MPACT Contract except as described in Section 13.01. The MPACT Contract covers only those costs and fees specified herein.

The benefits of an MPACT Contract may not be used unless all Contract payments, Actuarial Assessments, and any outstanding Administrative Fees, have been paid, and the social security number of the Qualified Beneficiary has been provided to the State Treasurer.

11.011 Earliest Availability of Contract Benefits - In general, the earliest a Qualified Beneficiary may receive benefits under an MPACT Contract purchased during any Enrollment Period will be the Summer Term immediately preceding the Projected College Entrance Date of the Qualified Beneficiary as provided in the MPACT Contract, unless the Beneficiary is an accelerated student. In the event that the Beneficiary is an accelerated student, the MPACT Contract may be used, with no penalty or additional Contract cost, within three (3) years in advance of the Projected College Entrance Date of the Qualified Beneficiary. Proof that the Beneficiary is an accelerated student must be provided in such form and detail as required by the State Treasurer.

The MPACT Contract, and any outstanding Actuarial Assessments and Administrative Fees, should be paid in full to advance utilization of the contract benefits prior to the Beneficiary's projected College Entrance Date, including utilization of the benefits during the Summer term immediately preceding the Projected College Entrance Date as well as utilization of the benefits by an accelerated Beneficiary.

11.012 Beneficiary's Projected College Entrance Date - At the time of application, if the Qualified Beneficiary's Projected College Entrance Date will be later than the Projected College Entrance Date which is supplied by the State Treasurer and which corresponds to the Beneficiary's current age and/or grade, the MPACT Contract Purchaser must submit a written request to the State Treasurer to change the Projected College Entrance Date to a later year. The written request must be accompanied by sufficient documentation, deemed acceptable by the State Treasurer, substantiating the Purchaser's Request for a change in the Beneficiary's projected College Entrance Date. Acceptable documentation may include a certified letter from the Beneficiary's principal or school teacher verifying that the beneficiary has or will be held back a grade. The Contract Purchaser must also sign a Certification Form, provided by the State Treasurer, agreeing to pay any additional amounts which may be due on the MPACT Contract as a result of providing invalid information about the Qualified Beneficiary's Projected College Entrance Date and/or contract payment amounts due. Both the required documentation and the completed and signed Certification Form must be submitted to the State Treasurer prior to the first payment due date of the MPACT Enrollment Period in which the Qualified Beneficiary is enrolled in the MPACT Program. If the Purchaser fails to provide all documentation within two (2) months of the first day of the MPACT Enrollment Period in question, the State Treasurer may not change the Qualified Beneficiary's Projected College Entrance Date or the MPACT Contract amount due.

Furthermore, when the Qualified Beneficiary begins to use the MPACT Contract benefits, if the Beneficiary enrolls in college in the Projected College Entrance Year which corresponds to the Beneficiary's age or grade, and not in a later year furnished by the Purchaser when the MPACT Contract was purchased, the Contract Purchaser must pay any Actuarial Assessment required to compensate for the difference in the MPACT Contract Price corresponding to the Projected College Entrance Date furnished by the Purchaser during the MPACT Application process, and the actual date of college entrance when the Beneficiary matriculates.

If the Beneficiary is held back or advances after the MPACT Contract is purchased and an account has been established, there will be no adjustment in the MPACT Contract Payment Schedule. However, upon a written request with sufficient documentation from the Purchaser, the projected College Entrance Date will be changed to reflect the revised Projected College Entrance Date.

The Purchaser should provide written notice of intention to advance or to delay benefits under the MPACT Contract a minimum of sixty (60) days prior to the new matriculation date of the Qualified Beneficiary. Failure to give notice within sixty (60) days may result in assessment of a fee to the MPACT Contract Purchaser in accordance with Section 12.021.

11.02 Contract Term - In general, benefits under an MPACT Contract may be received for up to a ten (10) year period after the Projected College Entrance Date of the Qualified Beneficiary. If the Beneficiary, however, is an accelerated student, the MPACT Contract benefits may be used for up to ten (10) years after the actual college entrance date of the Qualified Beneficiary who is an accelerated student.

Prior to the expiration of the ten (10) year limit, as long as an MPACT Contract has not been Terminated or Canceled and is not in default, a Purchaser may request an extension of the time allowed to exercise rights under the Contract. The Purchaser must submit a written request at least one hundred and eighty (180) days prior to the expiration of the ten (10) year limit and must pay a non-refundable renewal fee assessed at the time of request for extension of the Contract term. If the request is granted, an Actuarial Assessment may be assessed to protect the actuarial soundness of the Trust Fund.

If an MPACT Contract has not been Canceled or Terminated, and if the Qualified Beneficiary's rights under the Contract have not been fully exercised within ten (10) years from the Projected College Date of the Qualified Beneficiary, or from the actual college entrance date of an accelerated student, all Contract rights are Terminated, and no refunds are available. The money will revert to the Trust Fund.

11.03 Notification of Intent to Receive Educational Benefits - At such time as the Qualified Beneficiary intends to begin using the benefits under the MPACT Contract to attend a private or out-of-state postsecondary institution, the Contract Purchaser must submit written notification, including the name of the postsecondary institution the beneficiary will attend, not less than sixty (60) days prior to the projected commencement date for utilization of Contract benefits by the Qualified Beneficiary. Failure to provide at least sixty (60) days advance notice may result in the assessment of a fee in accordance with the provisions of Section 12.021 as well as a delay in the availability of the MPACT Contract benefits until the academic term immediately following the term in which the projected commencement date for utilization of the MPACT Contract benefits falls.

11.04 Identification Cards for Qualified Beneficiaries - To receive benefits under the MPACT Program, a Qualified Beneficiary, whose contract is in good standing, will be issued an identification card prior to their scheduled matriculation date. An identification card may not be issued to a Beneficiary unless the MPACT Contract and any outstanding Administrative Fees have been paid in full. An identification card shall also not be issued unless the Qualified Beneficiary submits a valid social security number. The postsecondary institution in which the Qualified Beneficiary has entered should not invoice the MPACT Trust Fund on behalf of the Beneficiary unless the Beneficiary presents a valid identification card to the appropriate person and office at the college or university in which the Qualified Beneficiary has entered or the Beneficiary's name appears on MPACT's Eligibility list as provided to the postsecondary institution..

11.05 MPACT Contract Prices - New MPACT Contract prices will be established by the Board for each Enrollment Period. Contract prices will be based on actuarial assumptions recommended by the actuary and adopted by the Board regarding tuition rates and other relevant factors. MPACT Contract prices will not include the Application Processing Fee. The contract price may include a non-refundable Account Maintenance Fee in accordance with Section 12.012.

After a Purchaser has entered into an MPACT Contract, the Contract price will not change, unless otherwise specified herein. Establishment of new prices for future MPACT Enrollment Periods will NOT affect or change the pricing of MPACT Contracts purchased during previous Enrollment Periods.

11.06 MPACT Contract Payments - MPACT Contract payments are due in full on the dates specified in the MPACT Contract. Contract payments may be made under the following different Participation and Payment Schedules:

(A) A lump sum payment due in full on or before the date designated by the State Treasurer.

(B) Continuous monthly payments beginning on a date specified by the State Treasurer and continuing on a monthly basis until no later than the summer immediately preceding the Projected College Entrance Date of the Qualified Beneficiary.

(C) A down payment (partial lump sum) followed by continuous monthly payments beginning on a date specified by the State Treasurer and continuing on a monthly basis until no later than the summer immediately preceding the Projected College Entrance Date of the Qualified Beneficiary.

(D) A series of annual payments beginning on a date specified by the State Treasurer and continuing on a annual basis.

11.07 Default - Failure to make any payment within thirty (30) days of the due date shall constitute default by the Purchaser and a suspension of the Qualified Beneficiary's rights under the MPACT Contract. A Purchaser may reinstate his or her good standing provided that all delinquent amounts, including an Actuarial Assessment, and all Administrative Fees, including late payment fees, have been paid.

11.08 Reinstatement - If within 180 days of default payment is not received, the contract will be placed in suspended status, unless there is a determination by the Board of an exigent circumstance. To return the account to active status, the Purchaser must either pay the delinquent amounts, including Assessments and Fees, or agree to change the contract or payment terms (see Sections 11.09 through 11.12) in order tp convert the account to some arrangement where they will not be delinquent. The Purchaser may also elect to voluntarily cancel the contract as described in Sections 14 and 15.06.

11.09 MPACT Contract Modifications - All requests by Contract Purchasers for a modification of the Contract provisions must be submitted in writing and must be accompanied by any written documentation which the State Treasurer may reasonably request and deem sufficient, along with all applicable Administrative Fees.

11.10 Changes in Payment Schedule -An MPACT Contract Purchaser may request a change in payment schedule any time during the MPACT Enrollment Period in which the Purchaser enters the MPACT Program and extending through the 10th day of the month in which the first payment is due for monthly Purchasers, or in which the onetime, lump sum payment is due for lump sum Purchasers. A request for a change in payment schedule must be submitted, in writing, to the State Treasurer and must be received by the State Treasurer within the time frame specified herein. A change in payment schedule at any other time, including at the time of a Beneficiary substitution, may require the MPACT Contract Purchaser to cancel their existing MPACT Contract and to purchase a new Contract during a subsequent MPACT Enrollment Period.

Purchasers electing a monthly payment plan may pay off the plan early. In such cases, the Purchaser can obtain a payoff amount by calling 1-800-987-4450.

11.11 MPACT Contract Payment Methods Any one of a variety of payment methods is available to an MPACT Contract Purchaser. These may include payment by coupon book, automatic deduction from a bank account (automatic clearinghouse checks), or payroll deduction. A Purchaser may change payment method after submitting a written request to the State Treasurer.

Automatic payroll deduction may be provided for State employees. Any other employer desiring to establish automatic payroll deduction for MPACT Contract

Purchasers may do so as long as the payroll deduction is administered in accordance with specifications provided by the State Treasurer.

Contract Purchasers electing payment by coupon book will be responsible for making all payments on time, even if the Purchaser has not received a coupon book. Similarly, a Purchaser will be responsible for making all payments on time, prior to implementation of payroll deduction or automatic deduction from a checking or savings account. Any Purchaser who delays payment beyond the payment due date, until a coupon book has been issued or until payroll deduction or automatic bank deduction has been implemented, may be assessed late payment fees and an Actuarial Assessment.

11.12 Contract Modifications Other Than Changes in Payment Schedule - All requests for modification(s) in the MPACT Contract must be made, in writing, to the State Treasurer and must be submitted along with any applicable Administrative Fees and any supporting written documentation required by the State Treasurer. Requests for modifications, may include, but are not limited to, a change in Contract Purchaser or transfer of the Contract benefits to an Eligible Substitute Beneficiary.

11.13 Contract Exclusions - Nothing in these Rules, Regulations and Procedures, in the MPACT Contract, or in the Mississippi Prepaid Affordable College Tuition Program Act shall be construed as a promise or guarantee by the State Treasurer, the Board of Trustees, or employees or consultants of the State Treasurer and/or the Board of Trustees, of any of the following:

- Admission of the Qualified Beneficiary to a Postsecondary Institution.
- Admission of the Qualified Beneficiary to a particular Postsecondary Institution.
- Authorization to the Qualified Beneficiary to continue enrollment at a Postsecondary Institution after admission.
- Graduation of the Qualified Beneficiary from a Postsecondary Institution.

No continuing education courses, graduate program, first professional program, or adult education program is available under the MPACT Program except as described under Section 13.01.

Tuition and Mandatory Fees paid under an MPACT Contract will be In-state Tuition and In-state Mandatory Fee charges only. The State Treasurer, the MPACT Program, and the Trust Fund are not responsible for payment of the difference between in-state and out-of-state tuition and fee rates. MPACT will not pay tuition charges or Mandatory Fee charges at a rate in excess of the rate charged to students who are eligible for In-state Tuition and Mandatory Fee rates. All MPACT Beneficiaries are considered Mississippi residents for purposes of tuition payments regardless of the Beneficiary's residence on the date of college enrollment.

11.14 Transfers Between Senior and Junior College Plans - If a Beneficiary under a junior college plan elects to attend a university or senior college, the MPACT Program will convert the community college hours into university hours based on the then current relative costs and pay the tuition. This results in fewer hours on your contract but enables the program to pay your university tuition until benefits are exhausted.

If a beneficiary under a university or senior college plan elects to attend a junior or community college, the Purchaser may request a refund of the difference between the amount actually paid by MPACT to the junior or community college and the weighted average tuition and mandatory fees at Mississippi's public universities in that year.

Section 12
Administrative Fees

12.00 Administrative Fees - Administrative Fees are assessed when a Purchaser submits an application for an MPACT Contract, when payments are made or when alterations are made in Contract information or in the ordinary services provided under the MPACT Program. The types of fees as well as the amount charged for each are subject to change during the life of any MPACT Contract.

12.01 Fees Assessed and Fee Schedules - The following Administrative Fees and fee schedules will apply to all Purchasers of MPACT Contracts, subject to changes the State Treasurer may make over the life of the Contract in the types and/or amounts of such Administrative Fees:

12.011 Application Processing Fee - A sixty dollar ($60.00) Application Processing Fee will be collected for EACH MPACT Application at the time that the Application is submitted to the State Treasurer. An Application will not be accepted unless the full amount of the Application Processing Fee is submitted along with the Application.

In general, the Application Processing Fee is nonrefundable. The Application Processing Fee will only be refunded if the MPACT Application is rejected and the Purchaser is denied participation in the MPACT Program through no fault of the Purchaser.

12.012 Account Maintenance Fee - All MPACT Contract payments include a nonrefundable account maintenance fee. The account maintenance fee for monthly payment contracts is $2.00 per month. The account maintenance fee for lump-sum payment contracts is $3.00 per year till matriculation of the Qualified Beneficiary.

12.013 Cancellation Fee - An MPACT contract may be canceled for any of the following:

- The Purchaser submits a written request;
- The Purchaser fails to make payments pursuant to the Master MPACT and/or the Participation and Payment Schedule;
- The Purchaser fails to make a contract payment within forty-five (45) days of the first payment due date following the close of the MPACT Enrollment period during which the MPACT Application was submitted.

Fifty percent (50%) of the amount paid into the Trust Fund, up to a maximum of one hundred fifty dollars ($150.00), excluding Administrative Fees, will be assessed upon the Cancellation of an MPACT Contract. The Cancellation Fee will be waived in the event of death or Disability of the Qualified Beneficiary or with proof of scholarship. Effective for cancellations on or after January 1, 2002, the cancellation fee will be Fifty percent (50%) of the amount paid into the Trust Fund, up to a maximum of twenty five dollars ($25.00), excluding Administrative Fees.

In the event of death or Disability of the Qualified Beneficiary, the Purchaser must submit acceptable documentation along with a written request at the time of application for a refund.

12.014 Termination Fee - An MPACT Contract may be Involuntarily Terminated for any of the following reasons:
- The Purchaser or Beneficiary has made a material misrepresentation of information;
- The Purchaser or Beneficiary has provided false information to the MPACT Program;
- The Purchaser has requested or accepted any form of compensation, fee, commission, service charge or any other form of payment or remuneration for entering into a contract for the benefit of a nonresident beneficiary; or
- Such other reasons as the State Treasurer may reasonably impose.

If the MPACT Contract is terminated, a Termination Fee of one hundred percent (100%) of the amounts paid into the Trust Fund, excluding Administrative Fees, up to a maximum of five hundred dollars ($500.00) will be assessed. Any refund due to the Purchaser of amounts paid into the Trust Fund, in the event of Termination of the MPACT Contract, is addressed in Section 15.07.

12.015 Substitution of Beneficiary Fee - A twenty dollar ($20.00) fee will be assessed to transfer MPACT Contract benefits to a Substitute Beneficiary. In the event of death or Disability of the original Beneficiary, or in the event the Beneficiary receives a Full or Partial Scholarship, this fee may be waived. Proof of death or Disability of the Qualified Beneficiary, or receipt of a Full or Partial Scholarship by the Qualified Beneficiary, must be provided in such form as deemed acceptable by the State Treasurer.

12.016 Fee for Transfer of Contract Ownership to Another Purchaser - A twenty dollar ($20.00) fee will be assessed to transfer ownership of the MPACT contract to a different Purchaser in accordance with the provisions of Section 8.03 herein. In the event of Death or Disability of the current Purchaser, this fee may be waived.

12.017 Fee for Enrollment in an Independent/Private In-state Postsecondary or Graduate Institution or in an Out-of-State Postsecondary or Graduate Institution - In the event a Qualified Beneficiary elects to attend an Independent/Private In-state Postsecondary or Graduate Institution or an Out-of-State Postsecondary or Graduate Institution, or in the event a Qualified Beneficiary transfers from an In-state Institution of Higher Education Postsecondary Institution to an Independent/Private In-state Postsecondary or Graduate Institution or to an Out-of-State Postsecondary or Graduate Institution, the Contract benefits will be transferred to such other Postsecondary or Graduate Institution in accordance with the provisions of Section 13. Each time a transfer occurs, the MPACT Contract Purchaser may be assessed a twenty-five dollar ($25.00) processing fee per transfer.

12.018 Late Payment Fee - A late payment fee of fifteen ($15.00) dollars shall automatically be assessed on each monthly MPACT Contract payment received more than fifteen (15) days past the payment due date. An Actuarial Assessment of 1% per month will automatically be assessed on each lump-sum payment received more than fifteen (15) days past the payment due date. For accounts with partial lump sums and monthly payments, the fee for late payment will be $15.00 or 1%, whichever is greater. A grace period, up to four (4) days in length, may be granted when a federal and/or State holiday occurs within the fifteen (15) days specified in this Section. If a Purchaser's payments are habitually late, the State Treasurer, at his discretion, may suspend the Contract as described in Section 11.08.

12.019 Fee for Return Items - A fifteen dollar ($15.00) returned item fee shall automatically be assessed for any returned item including, but not limited to, payment made by check or through ACH (Automatic Clearinghouse). Such payments include both MPACT Contract payments and Administrative Fee payments that are returned.

12.020 Fee for Document Replacement or Copies - Except as provided herein, Purchasers and/or Beneficiaries shall automatically be assessed a seven dollar ($7.00) fee per document (not per page) when requesting more that one copy, or a replacement copy, of any MPACT document including, but not limited to, the MPACT Application, the Participation and Payment Schedule, the Master MPACT, the coupon book, and the identification card. If another gift pack is requested, a $7.00 fee will be assessed for the entire gift pack rather than for each document contained in the gift pack. However, for lengthy documents, for documents requiring additional postage beyond the basic postage rate for a first class letter, and for documents requiring overnight delivery, the State Treasurer may assess an additional amount above the $7.00 fee. The additional amount shall not exceed $25.00 per request from the Contract Purchaser.

12.021 Fee for Failure to Provide Sufficient Notification of Intent to Use the Contract Benefits - Pursuant to Section 11.03 of these Rules, Regulations, and Procedures, the Purchaser should give at least sixty (60) days written notification of the Beneficiary's intent to use MPACT contract benefits to attend a private or out-of-state postsecondary institution and should specify the Postsecondary Institution the Beneficiary will attend. Failure to provide adequate notification may result in assessment of a forty-five dollar ($45.00) fee. This fee, must be paid by the Purchaser before benefits under the MPACT Contract will be paid to the Postsecondary

Institution in which the Qualified Beneficiary has matriculated.

12.022 Fee for Changes in Payment Schedule - A twenty dollar ($20.00) processing fee will be assessed for a change in payment schedule.

Section 13
Attendance at an Independent/Private In-state or Out-of-State Postsecondary Institution

13.00 Utilization of MPACT Contract Benefits at an Independent/Private Postsecondary Institution or at an Out-of-State Postsecondary Institution - In the event the Qualified Beneficiary matriculates in an Independent/Private In-state Postsecondary Institution or in an Out-of-State Postsecondary Institution, the Current Tuition Value will be forwarded, each academic term, to the Postsecondary Institution on an academic equivalent hourly basis subject to the provisions of the MPACT Contract described in Section 11.01. In no case will the amount forwarded ever exceed the cost of undergraduate tuition plus Mandatory Fees of the Postsecondary Institution to which the money is forwarded for the particular academic hours and term in question.

Forwarding of MPACT Contract benefits under this Section will be made only when all of the following have occurred:

1. The Purchaser has submitted a written request and all applicable Administrative Fees to the State Treasurer for transfer of the MPACT Contract benefits. The request should be submitted not less than sixty (60) days in advance of the first academic term for which the MPACT Contract benefits are to be paid;
2. The Purchaser has paid the applicable Administrative Fee(s) in accordance with Section 12.017;
3. The State Treasurer has received a valid invoice from the Beneficiary's college or university after the end of the institution's official drop/add period for each academic term for which MPACT Contract benefits are to be paid.

Failure to comply with the sixty (60) day requirements in this Section may result in the delay or unavailability of the MPACT Contract benefits until the following academic term.

13.01 Utilization of MPACT Contract Benefits at an In-State or Out-Of-State Graduate Institution - In the event the Qualified Beneficiary with unused contract benefits attends an In-state or Out-of-State Graduate Institution, the Current Tuition Value will be forwarded, each academic term, to the Graduate Institution on an academic equivalent hourly basis subject to the provisions of the MPACT Contract described in Section 11.01. In no case will the amount forwarded ever exceed the cost of tuition plus Mandatory Fees of the Graduate Institution to which the money is forwarded for the particular academic hours and term in question.

Forwarding of MPACT Contract benefits under this Section will be made only when all of the following have occurred:

1. The Purchaser has submitted a written request and all applicable Administrative Fees to the State Treasurer for transfer of the MPACT Contract benefits. The request should be submitted not less than sixty (60) days in advance of the first academic term for which the MPACT Contract benefits are to be paid;
2. The Purchaser has paid the applicable Administrative Fee(s) in accordance with Section 12.017;
3. The State Treasurer has received a valid invoice from the Beneficiary's Graduate Institution after the end of the institution's official drop/add period for each academic term for which MPACT Contract benefits are to be paid.

Failure to comply with the sixty (60) day requirements in this Section may result in the delay or unavailability of the MPACT Contract benefits until the following academic term.

Section 14
Termination or Cancellation of an MPACT Contract

14.00 General - Unless otherwise stated herein, Termination or Cancellation of an MPACT Contract shall result in a refund to the Purchaser only after payment of applicable Administrative Fees.

14.01 Individual Entitled to Cancel an MPACT Contract - The person entitled to cancel an MPACT Contract is the Contract Purchaser.

14.02 Individual Entitled to Receive Refunds - Unless otherwise stated herein, the individual entitled to receive any refunds which may be due under an MPACT Contract is the named Contract Purchaser.

Section 15
Refunds of Amounts Paid Into the Trust Fund

15.00 General - Unless otherwise stated herein, refunds will be paid to the Purchaser.

Refund amounts will be based on the reason for Terminating or Canceling an MPACT Contract. Except as provided herein, refunds shall include but not be limited to the amount paid in and an additional amount in the nature of interest at a rate that corresponds to the prevailing interest rates for savings accounts provided by banks and savings and loan associations. The Board may impose reasonable charges for such withdrawal or refund. Termination of student status after the official drop/add period eliminates the refund option for that academic term.

If a Qualified Beneficiary does not receive course credit for credit hours paid under an MPACT Contract, a refund will not be available for these credit hours. Furthermore, once the Trust Fund has paid a Postsecondary Institution for credit hour(s) on behalf of a Qualified Beneficiary, the hour(s) paid to the Postsecondary Institution reduce the total number of credit hours available for calculation of any refund amount that may be due to the Purchaser.

If the Qualified Beneficiary achieves a baccalaureate degree in fewer than the maximum number of credit hours guaranteed under an MPACT Contract and/or in fewer than the number of academic terms for which payment of Mandatory Fees is guaranteed under the Contract, a refund will not be available. As soon as a Qualified Beneficiary attains a baccalaureate degree, and/or utilizes the total number of credit hours guaranteed under the Contract, all services under the MPACT Contract will be terminated. Any refund made to the Purchaser will occur only after the Purchaser has paid any outstanding Administrative Fees.

Unless otherwise specified herein, refunds may be paid in installments as determined by the State Treasurer. The amount of the refund installments will be calculated by the State Treasurer at the time the written request for a refund is approved. Unless otherwise stated herein, the refund installments will be paid to the Purchaser. The State Treasurer is not responsible for any refunds that may be payable by the Postsecondary Institutions.

A Purchaser who voluntarily cancels their contract will be allowed to reinstate up to the point where a refund check is issued. If the Purchaser changes their mind regarding cancellation after issuance of a refund check, they must purchase a new contract during the next enrollment period at that enrollment period's prices.

15.01 Refund in the Event of Death or Disability of the Qualified Beneficiary -
Refunds may exceed the amounts paid into the Trust Fund and the minimum interest as specified in section 15.00 in the following circumstances: In the event of death or Disability of a Qualified Beneficiary. In any of these circumstances, the Purchaser shall receive a refund equal to the sum of all MPACT Contract payments paid to date, excluding all Administrative Fees, minus any amount paid by the Trust Fund to Postsecondary Institutions on behalf of the Qualified Beneficiary, with such net amounts adjusted to reflect the increase in Current Tuition Value over the period from the purchase of the MPACT Contract to the date the refund calculation is made.

For the refund provisions stated herein to apply, the Purchaser must submit a written request for Cancellation of the MPACT Contract. The written request should be submitted within one hundred eighty (180) days of the death or Disability of the Qualified Beneficiary. Furthermore, proof of death, Disability, or qualification must be submitted in such form as is deemed acceptable by the State Treasurer. If the written request and required documentation are not submitted within the one hundred eighty (180) day deadline, the refund provisions of Section 15.07 may apply.

15.02 Refund in the Event of a Reduction in Tuition and/or fees for a Child of an Employee of a Postsecondary Institution -
Some Postsecondary Institutions may charge lower tuition and/or fees to a student who is a child of an employee of the Postsecondary Institution. If an MPACT Contract Beneficiary is eligible for this reduction, the Contract Purchaser may elect to cancel the MPACT Contract and request a refund under Section 15.06 herein. The refund will be equal to the Redemption Value of the Contract. If the Purchaser does not cancel the MPACT Contract, MPACT will pay the college or university based on the invoice submitted by the Postsecondary Institution and subject to the provisions of MPACT stated in these Rules, Regulations, and Procedures. If the Beneficiary receives a tuition reduction from the college or university and the Trust Fund pays, based on the invoice from the institution, the full amount of the MPACT contract to the college or university attended by the Beneficiary, it shall be the responsibility of the Purchaser to request a refund of the overpayment of tuition and Fees from the college or university. If the college or university invoices the Trust Fund for a reduced amount of tuition and mandatory Fees, i.e., an amount less than that contracted for by the Purchaser in the MPACT Contract, then the Purchaser shall request a refund from the Trust Fund of the difference between the invoiced amount and the amount for which the Purchaser contracted, and the refund will be made by the Trust Fund directly to the Purchaser, based on the appropriate documentation.

15.03 Refund in the Event of Receipt of a Full or Partial Scholarship by A Qualified Beneficiary - If a Qualified Beneficiary is awarded a Full or Partial Scholarship, the terms of which fully or partially cover the benefits guaranteed in the MPACT Contract, the Contract Purchaser may elect to cancel the MPACT Contract and request a refund under Section 15.06 herein. The refund will be equal to the Redemption Value of the Contract. If the Purchaser does not cancel the MPACT Contract, MPACT will pay the college or university based on the invoice submitted by the Postsecondary Institution and subject to the provisions of MPACT stated in these Rules, Regulations, and Procedures. If a Qualified Beneficiary is awarded a Full or Partial Scholarship, the terms of which fully or partially cover the benefits guaranteed in the MPACT Contract and the Trust Fund pays, based on the invoice from the institution, the full amount of the MPACT contract to the college or university attended by the Beneficiary, it shall be the responsibility of the Purchaser to request a refund of the overpayment of tuition and Fees from the college or university. If the college or university invoices the Trust Fund for a reduced amount of tuition and mandatory Fees, i.e., an amount less than that contracted for by the Purchaser in the MPACT Contract, then the Purchaser shall request a refund from the Trust Fund of the difference between the invoiced amount and the amount for which the Purchaser contracted, and the refund will be made by the Trust Fund directly to the Purchaser, based on the appropriate documentation.

15.04 Refund if the Beneficiary Matriculates in a Military College or University - In the event the MPACT Contract Beneficiary matriculates in one of the U.S. Government sanctioned military academies listed below, such that tuition and Mandatory Fees are not charged, the Purchaser will receive a refund equal to the sum of all MPACT Contract payments paid to date, excluding all Administrative Fees, minus any amount paid by the Trust Fund to Postsecondary Institutions on behalf of the Qualified Beneficiary, with such net amounts adjusted to reflect the increase in Current Tuition Value over the period from the purchase of the MPACT Contract to the date the refund calculation is made.. A Request for a refund should be submitted within sixty (60) days of the

Beneficiary's enrollment in the military college or university and must be accompanied by written documentation, deemed acceptable by the State Treasurer, evidencing enrollment. Otherwise, the refund provisions of Section 15.07 may apply. The provisions herein apply to attendance at any one of the following military academies:

- The United States Air Force Academy in Colorado Springs, Colorado
- The United States Naval Academy in Annapolis, Maryland
- The United States Military Academy at West Point, New York
- The United States Merchant Marine Academy at Kings Point, New York
- The United States Coast Guard Academy in New London, Connecticut

15.05 Refund if the Beneficiary Matriculates in a Postsecondary Institution Located Outside of the United States - If the Beneficiary matriculates in a Postsecondary Institution located outside of the United States, the MPACT Contract Purchaser may receive a refund of the Redemption Value of the Contract. The Cancellation Fee will be waived. The Contract Purchaser must submit a written request for a refund and must furnish written documentation, acceptable to the State Treasurer, substantiating the Beneficiary's attendance at a Postsecondary Institution located outside of the United States.

15.06 Refund in the Event Qualified Beneficiary Graduates With Unused Contract Hours- If a Qualified Beneficiary completes an undergraduate program and obtains a baccalaureate degree without using all semester hours purchased in their MPACT contract, the remaining contract hours may be used for graduate school as described under Section 13.01. If the Beneficiary will not be attending graduate school, the Purchaser may request at refund to be based on the cost of the number of remaining hours in their contract adjusted to reflect the increase in Current Tuition Value over the period from the purchase of the MPACT Contract to the date the refund calculation is made. Such requests must be in writing and include appropriate written documentation, acceptable to the State Treasurer, that the Beneficiary has received a baccalaureate degree. If the Beneficiary has not earned an undergraduate degree, the refund provisions of Section 15.07 will apply.

15.07 Other Refunds - Refunds for reasons or circumstances other than those stipulated above in Sections 15.00, 15.01, 15.02, 15.03, 15.04, 15.05 and 15.06 may be made to the Purchaser upon written request by the Purchaser after submission of all documentation required by the State Treasurer to substantiate the refund request, and after payment of the required Administrative Fee(s).

The Purchaser will be entitled to a refund equal to the Redemption Value of the Contract. A refund under this rule will not include credit hours or Mandatory Fees paid by the Trust Fund on behalf of the Qualified Beneficiary prior to the time of refund. A cancellation fee will also be charged.

Section 16
Rollovers

16.00 General. Qualified Rollover Distributions are not subject to taxation or penalty. Rollover Distributions include both: (1) transfers between a QTP operated by one state and a QTP operated by another state; or (2) transfers between separate QTP's operated by the same state. These changes can be made as a non-taxable event without penalty or additional tax if there is a change of Beneficiary and the new Beneficiary is a "member of the family" of the previous Beneficiary. Account Owners may also rollover from one QTP to another for the same Beneficiary once every twelve months without incurring State or federal income tax, any penalty or the additional tax, so long as the transfer occurs within sixty (60) days of the original withdrawal.

16.01 Rollovers from MACS to MPACT. Purchasers desiring to transfer money from a MACS Account to pay for their MPACT Contract must contact the MACS Program Manager to request a rollover. Purchasers should also complete, sign and transmit to MPACT an MPACT Rollover Form.

16.02 Rollovers from MPACT to MACS. Purchasers desiring to transfer money from their MPACT Contract to a MACS Savings Account may request such a transfer by signing a letter cancelling their contract and requesting the refund to be sent to their MACS Account. The MACS Account must be already opened and a MACS Account Number provided at the time of the request.

16.03 Rollovers from QTP's (529 Plans) Operated by Other States to MPACT. It is the responsibility of the Purchaser to notify the other QTP and request that the proper amount be sent to MPACT. Purchasers should also complete, sign and transmit to MPACT an MPACT Rollover Form as notification to expect the rollover payment.

16.04 Rollovers from MPACT to a QTP (529 Plan) Operated by Other States. Purchasers desiring to transfer money from their MPACT Contract to a QTP operated by another state may request such a transfer by signing a letter cancelling their contract and requesting the refund to be sent to their other QTP Account. The QTP Account must be already opened and an Account Number and payment address provided at the time of the request. MPACT will provide the other QTP with a breakdown between interest and return of principal along with the rollover payment.

Section 17
Special Petition

17.00 General - Any individual, corporation, organization, or other Entity desiring to petition for relief from the Rules, Regulations, and/or Procedures dictated herein may do so by filing a written petition with the State Treasurer. The petition shall contain the name and address of the person requesting relief; the specific nature of the relief requested; the name and address of any Purchaser or Beneficiary on any disputed MPACT Contract; the MPACT Contract account number(s) of the Contract(s) in question; the rule, regulation, and/or procedure from which the Petitioner is requesting relief; the date of request; the social security number or tax identification number of the Beneficiary and of the Purchaser; and the sworn signature of the petitioner. The response to the petition will be in writing and will be made within forty-five (45) days of receipt of the petition from the individual requesting relief. The State Treasurer, or his/her designee, has the authority to respond to the petition on behalf of the Board of Directors.

Any individual or entity as described above may appeal to the Board of Directors an adverse ruling by the Treasurer, or the Treasurer and MPACT Director may decide at their discretion that an appeal by any entity as described above should be considered by the MPACT Board of Directors. In such cases, the written statement of the petitioner shall be forwarded to the appropriate committee of the Board, and the matter placed on the agenda for the next meeting of that committee. The committee shall consider the appeal and make a recommendation as to the appeal to the entire Board. The person making such an appeal may request or be requested to appear in person at a meeting of a committee or the Board, at the discretion of the committee or Board. Decisions by the Committee or the Board shall be communicated in writing to the person making the appeal. All such decision by the Board are final.

Section 18
Miscellaneous Provisions

18.00 Promulgation and Amendment of these Rules, Regulations, and Procedures - The State Treasurer, on behalf of the Board of Directors, shall promulgate such other Rules, Regulations, and Procedures as are deemed necessary to implement the MPACT Program and shall amend such Rules, Regulations, and Procedures as is necessary for operation of the MPACT Program.

Section 19
Waiver of Rules, Regulations, and Procedures

19.00 General - The State Treasurer may waive portions of these Rules, Regulations, and Procedures to prevent hardship of the Purchaser and/or of the Qualified Beneficiary.

Section 20
MPACT Rules, Regulations and Procedures for Corporations, Trusts, Charitable Organizations and Other Qualified Entities

20.00 General - These Rules, Regulations, and Procedures have been established by the Board for Contract Purchasers who are not natural persons. The State Treasurer has determined that entering into MPACT Contracts to be awarded to Beneficiaries who are not immediately known will allow and encourage corporations, trusts, charitable organizations, foundations, civic groups and other interested parties, who are not natural persons, to enter into MPACT Contracts. This type of Contract will also provide educational benefits to Beneficiaries who might otherwise not be able to afford Postsecondary education. For the purpose of these Rules, Regulations, and Procedures, the term "Entity" shall mean any corporation, trust, charitable organization, or any other business or organization which is not a natural person and which is approved by the State Treasurer for the purchase of an MPACT Contract. Unless specifically exempted herein, all Rules, Regulations, and Procedures pertaining to MPACT Contract Purchasers who are natural persons also apply to any Purchaser that is an Entity.

20.01 Eligibility of the Purchaser - The Purchaser of an MPACT Contract may be any Entity approved, in writing, by the State Treasurer.

20.02 Naming the Beneficiary - An Entity which purchases an MPACT Contract is required to name the Contract Beneficiary at the time the MPACT Application is submitted to the State Treasurer, unless the entity is a State or local government or an organization described in section 501(c)(3). If an exempt entity, such as a State or local government or an organization described in section 501(c)(3), submits an MPACT Application for an unnamed Beneficiary, a Projected College Entrance Date for the unnamed Beneficiary must be specified on the MPACT Application. The age of the unnamed Beneficiary on the MPACT Application will be the normal age for a Beneficiary expected to enter college in the Academic School Year corresponding to the Projected College Entrance Date. The Beneficiary should be named not less than six (6) months prior to the Projected College Entrance Date specified by the entity on the MPACT Application.

20.03 Beneficiary Eligibility - If the Beneficiary is named at the time the MPACT Application is submitted to the State Treasurer, the Beneficiary eligibility requirements of Section 9.00 are applicable. If the Beneficiary is not named, pursuant to the exemption stated in Section 20.02, when the MPACT Application is submitted to the State Treasurer, at such time as the Beneficiary is named, the named Beneficiary must meet all of the following requirements:

- The Beneficiary must be a resident of the State of Mississippi, or a nonresident provided that the Purchaser is a resident of the State.
- The Beneficiary must be eighteen (18) years of age or younger.
- the Beneficiary must have a college enrollment year which is the same year as the Projected College Entrance Date provided in the MPACT Application by the Entity.
- The Beneficiary must be born and have a valid birth certificate.

20.04 Failure to Name the Beneficiary - Failure to name the Beneficiary within the time frame specified in Section 20.02 will result in a Cancellation of the MPACT Contract, and the monies will be refunded from the trust fund including but not limited to the amount paid in and an additional amount in the nature of interest at a rate that corresponds to the prevailing interest rates for savings accounts provided by banks and savings and loan associations and the Board may impose reasonable charges for such refund.

20.05 Beneficiary Substitutions - Should the named Beneficiary elect not to use the MPACT Contract benefits, and the Contract is transferred to an Eligible Substitute Beneficiary, the provisions of Section 9.02 will apply. The Purchaser may be required to submit documentation evidencing the relationship of the Eligible Substitute Beneficiary to the first Beneficiary.

20.06 Application - For any corporation or trust submitting an MPACT Application, the Application will be considered incomplete, and will not be accepted by the State Treasurer, unless the corporate applicant provides its taxpayer identification number on the Application, and the Application must be complete in all other respects as described in Sections 10.01 and 20.02.

20.07 Utilization of the MPACT Contract Benefits - The MPACT Contract benefits may not be used unless the Purchaser has furnished to the State Treasurer the name, age, and social security number of the Qualified Beneficiary and has complied with all other applicable Rules, Regulations, and Procedures pertaining to Purchasers who are natural persons.

Section 21
Dormitory Residence Plan

21.00 Dormitory Residence Plans - Pursuant to the statutory authority of the Board of Directors which grants the Board the powers necessary or convenient to carry out the purposes and provisions of this act, upon the completion of a feasibility and advisability study the Board elected to not offer a prepaid dormitory plan.
The Mississippi Affordable College Savings (MACS) Plan provides a savings vehicle which can be used for books, room and board, graduate school and other higher education expenses.

DISCLOSURE STATEMENT AND PROGRAM DESCRIPTION OF THE MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM ("MPACT")

This disclosure statement and program description (the "Disclosure Statement") of the Mississippi Prepaid Affordable College Tuition Program ("MPACT") is provided in connection with the offering of Prepaid Tuition Contracts by the Board of Directors (the "Board") of the College Savings Plans of Mississippi Trust Funds (the "Trust Fund"), an agency and instrumentality of the State of Mississippi (the "State"). A Prepaid Tuition Contract consists of the MPACT Application, the MPACT Master Contract, the Participation and Payment Schedule, and additional documents issued, disseminated or received by the State Treasurer in connection with any of the foregoing (collectively, the "MPACT Contract" or "Contract"). Applications for the purchase of a Contract are available at the MPACT Office located at 1101 Woolfolk State Office Building, 501 N. West Street, Jackson, MS. The purchase of, and ownership of a Contract are governed by the terms of the Application, the Contract, as well as the Disclosure Statement, and the Rules, Regulations & Procedures (the "Rules") promulgated by the Board from time to time. The offering and administration of Contracts by the Board is herein referred to as the "MPACT Program." The capitalized terms not otherwise defined herein have the meanings attributed to such terms in the MPACT Master Contract and Rules.

References to the State Treasurer, or the Office thereof, shall mean and refer to the State Treasurer acting on behalf of the Board consistent with the Rules of the Board. The Rules are delivered to each Purchaser upon enrollment in the Program and they are available on the Program website at www.collegesavingsmississippi.com/rules.html.

THIS DISCLOSURE STATEMENT PROVIDES IMPORTANT INFORMATION CONCERNING CERTAIN MATERIAL RISKS ASSOCIATED WITH THE PURCHASE OF A CONTRACT. PURCHASERS ARE STRONGLY URGED TO READ THIS DISCLOSURE STATEMENT IN ITS ENTIRETY BEFORE PURCHASING A CONTRACT. THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED TO CONTAIN OR PROVIDE LEGAL, FINANCIAL OR TAX ADVICE. THIS DISCLOSURE STATEMENT IS NOT A PART OF THE CONTRACT.

Any description herein of the Application, the Contract, the Rules, or any other document relating to the MPACT Program is not intended to be a definitive or comprehensive statement of the terms and conditions of such documents. Reference is hereby made to each respective document for the details of all terms and conditions of that document. All statements herein relating to such documents are qualified in their entirety by the text of the applicable documents. Copies of the Application, the MPACT Master Contract, the Rules, and other documents relating to the MPACT Program are available at the MPACT Office address above.

Those persons who are not considering the purchase of a Contract during the 2011 Enrollment Period may gain an understanding of the MPACT Program by reading this Disclosure Statement. However, persons desiring to purchase a Contract in a subsequent year should be aware that the terms and features of the MPACT Program, the Contract, and the documents relating thereto in any subsequent year may differ, even materially, from the terms and features described in this Disclosure Statement. Some or all of the terms and features of the MPACT Program described in this Disclosure Statement, at any time, may be materially changed or eliminated, and material additional terms, restrictions, or conditions may be included in the MPACT Program from time to time. The terms and features of the MPACT Program applicable to a subsequent year will govern that particular year's Contract.

OVERVIEW

The following descriptive overview of the MPACT Program is not intended to be an exhaustive or definitive description of its features. Each statement contained in this Disclosure Statement is subject to qualification in its entirety by the terms and conditions of each document comprising the Contract, the Rules, and other documents relating to the MPACT Program, and by the descriptions contained elsewhere in this Disclosure Statement.

To purchase a Contract, a Purchaser must file an Application with the State Treasurer. The Application will be accepted or denied based upon the conditions set forth in the Rules. If the Application is accepted, a Contract may be purchased for the benefit of a "Qualified Beneficiary," which, among other things, is defined as a person 18 years of age or younger who has been born at the time the Application is made and who meets certain residency and grade level requirements.

When a Purchaser's Application has been accepted and the full purchase price has been paid, the Trust Fund is contractually committed to pay the In-State Tuition and Mandatory Fees of the designated Beneficiary over a specified number of academic hours. The Contract may be used to pay In-State Tuition and Mandatory Fees at Mississippi public colleges and universities, at Out-of-State and Private Institutions, and in some instances, institutions outside the United States. However, the Contract only assures the payment of Tuition and Mandatory Fees over the specified number of academic periods based upon the cost of Tuition and Mandatory Fees at 2-year/4-year public institutions of higher learning in Mississippi. Amounts paid to any Private Institution may be less than the amounts paid to Mississippi public universities and colleges. Requests to apply funds to any institution that is not an eligible educational institution for purposes of Section 529 (defined below), will result in refunds of the Redemption Value of the Contract.

Neither MPACT nor the purchase of a Contract assures a Beneficiary of admission to, continued attendance at, or graduation from any college or university.

Assets of the Trust Fund, including amounts received from the sales of Contracts, may be invested only in accordance with the Board's statutory authorization in a broad variety of asset classes. No representation is made or guarantee given that investment returns will be sufficient to fulfill the payment obligations of the Trust Fund under the MPACT Program. However, the obligations of the Trust Fund to pay benefits under each Contract are backed by the full faith and credit of the State of Mississippi.

In some instances the Beneficiary may not need or be able to use the benefits of the Contract or may voluntarily elect not to attend a college or university. In either case, the Purchaser may request a refund of Contract payments or name a qualifying Substitute Beneficiary subject to certain Program requirements. If a Beneficiary dies or becomes disabled, receives a scholarship, or attends a United States military academy, the Purchaser may receive a refund equal to the Current Tuition Value of the Contract. If the Beneficiary matriculates in institutions that are not eligible educational institutions for purposes of Section 529, or if the Beneficiary elects not to attend college or fails to qualify academically, the Purchaser may receive a refund of the Redemption Value of the Contract. The Current Tuition Value of the Contract is based upon current Tuition and Mandatory Fees at certain Mississippi public institutions; the Redemption Value is based upon amounts paid in and interest at the prevailing rates for banks and savings and loan associations, net of applicable Administrative Fees, which are described more fully in Section VIII of the Contract, and the Rules.

Purchasers should consider the tax consequences associated with the purchase of a Contract. MPACT is designed to constitute a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended ("Section 529" and the "Code", respectively). As such, the earnings portion of Contract payments used for Tuition and Mandatory Fees will not be includable in the Beneficiary's taxable income. In addition to income tax consequences, certain estate and gift tax consequences may result from the purchase of a Contract for a Beneficiary or from the transfer of a Contract. See "FEDERAL TAX CONSIDERATIONS." The tax information appearing in this Disclosure Statement is not intended to be exhaustive. Current and potential Purchasers are urged to seek the advice of their own attorney, accountant or financial consultant for specific tax advice.

Prospective Purchasers also should consider the impact of a Contract on the Beneficiary's ability to obtain certain federal aid. The receipt of benefits under a Contract may affect the Beneficiary's qualification for certain financial aid. See "FINANCIAL AID AND MEDICAID IMPLICATIONS."

SUMMARY OF RISK FACTORS

This Summary of Risk Factors is intended only to serve as an overview of certain of the more significant risks and other considerations associated with the MPACT Program. Purchasers should read the entire Disclosure Statement, the Contract, the Rules, and other documentation pertaining to the MPACT Program. Purchasers should not rely solely on this Summary as an exclusive source of information regarding the risks of participating in the MPACT Program. Current and potential Purchasers are urged to seek the advice of their own attorney, accountant, or financial consultant for specific advice concerning risks and other considerations associated with participation in the MPACT Program.

Risks associated with Contract cancellation or termination. The purchase of a Contract is necessarily a long-term investment because no benefits generally are paid until a Beneficiary enrolls in a college or university. If a Contract is cancelled or terminated, the Purchaser may request and receive a refund, the amount of which will depend upon the circumstances surrounding the cancellation or termination. Any current or prospective Purchaser concerned with liquidity should consider the risk of loss of earnings that might have been realized had he or she invested in another investment vehicle offering greater liquidity. Additionally, the Board, in its discretion, may pay any refund in installments, rather than in a lump sum. In that event, the total refund amount would not be immediately available to the Purchaser. If the refund is not used to pay Qualified Higher Education Expenses, then the earnings portion of the refund (if any) would be subject to federal income taxes and, in certain instances, an additional 10% federal penalty tax. The recipient of a non-qualified withdrawal is responsible for payment of applicable taxes.

Lack of Contract transferability. Purchasers have limited opportunities to transfer a Contract to a member of the Beneficiary's family, but any transfer would be subject to the Program's Rules and requirements. No representation is made or assurance given that a Purchaser will be able to transfer his or her Contract.

No assurance of admission to or graduation from Postsecondary Institutions. The obligations of the Trust Fund under the Contract in no way constitute a promise, commitment, or guarantee by the State Treasurer, the Board, or the State of Mississippi, or employees or consultants of the State Treasurer, the Board, or the State of Mississippi that a Beneficiary: (a) will be admitted to a Postsecondary Institution; (b) will be admitted to a particular Postsecondary Institution; (c) will be allowed to continue to attend a Postsecondary Institution after having been admitted; (d) will be graduated from a Postsecondary Institution; or (e) if admitted to a Postsecondary Institution, will meet that institution's residency requirements for In-State Tuition and/or Mandatory Fees. If the Beneficiary is not admitted to a Postsecondary Institution for any reason, or fails to register for less than the maximum number of academic credit hours for which Contract benefits are payable for any reason, the Beneficiary likely will realize less than all of the Contract benefits for which he or she otherwise may have been eligible.

Limited substitutability of Beneficiaries. If the original Beneficiary or any successor Beneficiary under a Contract has not yet matriculated at a Postsecondary Institution or received any benefit under a Contract, the Purchaser may be eligible to substitute another Qualified Beneficiary according to the Rules. However, substitution of a Beneficiary whose Projected College Entrance Date is later than that of the current Beneficiary will not result in any refund of Contract payments or earnings realized by the Trust Fund in respect of such payments. In limited circumstances, a Purchaser may request substitution of a Beneficiary with a Projected College Entrance Date that is earlier than the Date of the current Beneficiary. In this instance, the Purchaser may be required to pay additional amounts based on actuarial calculations.

Modification or clarification of Trust Fund documents. Ordinarily, the Board will not retroactively modify or clarify existing Contracts in a manner adverse to the Purchaser or Beneficiary except to the extent necessary to assure compliance with applicable law or to preserve the tax treatment of the Trust Fund or the interests of Purchasers or Beneficiaries therein. The Board may from time to time clarify the terms of particular Contracts as well as the application of those terms to specified circumstances through the promulgation of Rules or the modification of existing Rules, some of which may adversely affect the rights of Purchasers or Beneficiaries. The terms of new Contracts also may differ materially from existing Contracts; however, to the extent such differences are adverse to Purchasers or Beneficiaries, ordinarily they will apply only to new Contracts and not to existing ones, unless the application of such differences to existing Contracts is necessary to assure compliance with applicable law or to preserve the tax treatment of the Trust Fund or the tax treatment of interests of Purchasers or Beneficiaries therein.

No investment return beyond Contract performance. Under no circumstances will Purchasers or Beneficiaries be entitled to receive investment returns from the Trust Fund as a result of favorable Trust Fund investment performance in excess of Contract obligations. Any such favorable investment performance, if achieved by the Trust Fund, will enhance the likelihood that the Trust Fund's Contract obligation will be performed, but will not result in other direct or indirect benefits to Purchasers or Beneficiaries. Moreover, the Act under which the Trust Fund was established provides that the Board may designate a percentage of any Trust Fund monies in excess of the actuarially determined obligations of the Trust Fund to serve as a contingency fund. A Purchaser or Beneficiary of an MPACT Contract may not directly or indirectly direct the investments of their contributions to the Program.

Inherent uncertainty of actuarial projections. The Board has engaged the assistance of actuarial experts to project the ability of the Trust Fund to meet its obligations and to assist the Board in establishing the pricing for Contracts each year. In this regard, various actuarial assumptions are employed to evaluate the assets and liabilities of the Trust Fund. Because actuarial determinations necessarily involve predictions regarding future events, no assurance can be given that such assumptions will prove to be accurate or that the Trust Fund will be able to satisfy its future obligations, despite the indication of current actuarial evaluations that the assets of the Trust Fund should be sufficient to satisfy the Trust Fund's future obligations. The State has agreed to meet the obligations of the Board to Beneficiaries if monies in the Trust Fund fail to meet the obligations of the Board.

Limited ability to increase the price of future Contracts. To a limited degree, the Trust Fund may correct temporary actuarial shortfalls in a given year by increasing the price of future Contracts. At some point, however, increasing the price of future Contracts is likely to reduce the public demand for such Contracts, which could prevent the Trust Fund from offsetting future actuarial shortfalls (if any should occur) by increasing the price of new Contracts. There can be no assurance that demand for new Contracts will continue at consistent levels in the future.

THE TRUST FUND

By enactment of the Mississippi Prepaid Affordable College Tuition Program, Title 37, Chapter 155-1 through 125 (the "Act"), the Mississippi Legislature created the Trust Fund as an agency and instrumentality of the State of Mississippi. The purpose of the Act is to advance and improve higher education in the State by assisting qualified students in financing a portion of their costs of attending State colleges and universities. This purpose is fulfilled by encouraging the prepayment of tuition costs through the purchase of affordable Prepaid Tuition Contracts. The Prepaid Tuition Contracts create an obligation of the Trust Fund to pay a Contract Beneficiary's In-State Tuition and Mandatory Fees over a specified number of academic hours. The Trust Fund's obligations to Beneficiaries or others are backed by the full faith and credit of the State of Mississippi.

Management of the Trust Fund

The Board of Directors of the College Savings Plans of Mississippi Trust Fund consists of the following members:

(a) Nine (9) voting members as follows: the State Treasurer, the Commissioner of Higher Education, the Executive Director of the Community and Junior College Board, Department of Finance and Administration Executive Director and one (1) member from each congressional district as designated in 1996, appointed by the Governor with the advice and consent of the Senate. On the expiration of any of said terms of office, the Governor shall appoint successors by and with the advice and consent of the Senate for terms of five (5) years in each case.

(b) Two (2) nonvoting, advisory members of the Board are appointed by each of the following officers: the Lieutenant Governor and the Speaker of the House of Representatives. Successors to the appointed members shall serve for the length of the term for each appointing official and shall be eligible for reappointment, and shall serve until a successor is appointed. Any person appointed to fill a vacancy on the board shall be appointed in a like manner and shall serve for only the unexpired term.

Each trustee appointed shall possess knowledge, skill and experience in business or financial matters commensurate with the duties and responsibilities of the Trust Fund. Members of the Board of Directors shall serve without compensation, but are entitled to reimbursement for each day's official duties of the Board at the same per diem and actual travel and lodging expenses as are paid to State of Mississippi employees. The names of the current members of the College Savings Plans of Mississippi Board of Directors are listed in the MPACT Enrollment Booklet.

The Board engages and relies upon the advice of investment consultants, investment managers, custodians, actuarial experts, attorneys, accountants, and other experts in managing, administering, and formulating investment policies for the Trust Fund. Day-to-day administration of the MPACT Program is conducted through the State Treasurer's Office.

Powers of the Board

Under the Act, the Board, or its authorized agent, is authorized to contract for the lump sum or installment prepayment of tuition costs for the benefit of a Qualified Beneficiary. The Board is directed to obtain actuarial assistance to project the ability of the Trust Fund to meet its obligations and to determine Contract pricing based on actuarial calculations which employ various assumptions. Pursuant to this authority, the Trust Fund has engaged Bryan, Pendleton, Swats & McAllister, LLC, Actuaries and Employee Benefits Consultants, to render certain accounting and actuarial services to the Trust Fund. Based upon the actuarial valuation, the Board may adjust the price of subsequent Contracts to adjust for actuarial shortfalls. The Board also may impose Actuarial Assessments to compensate the Trust Fund for loss of earnings if a Purchaser makes any payment after its due date.

The payments received from Contract Purchasers are deposited in the Trust Fund, and the Trust Fund's assets are invested by the Board as authorized in the Act. The amounts received may be invested only in instruments, obligations, securities and properties that are deemed appropriate by the Board and that constitute legal investments pursuant to the Act. The Trust Fund's assets are subject to market factors and fluctuations affecting their value. To assist with the investment of Trust Fund assets, the Board has engaged the services of both an investment consultant and various investment managers. See "THE TRUST FUND - Investment Policies."

In addition to the foregoing powers, the Board is entitled (i) to adopt rules and regulations necessary to implement the provisions of the law, (ii) to impose reasonable limitations on the number of Contract participants in the Trust Fund at any given time, (iii) to impose reasonable time limits on the use of Contract benefits and (iv) to impose residency requirements at the time of the purchase of a Contract for qualification as a Qualified Beneficiary.

As soon as practicable following the completion of each fiscal year of the Trust Fund, the Board makes available summary information on the financial condition of the Trust Fund to all Purchasers of Contracts. In addition, the Board prepares an annual accounting of the Trust Fund and transmits a copy of the same to the Governor, the Lieutenant Governor, and the Speaker of the State House of Representatives. The Board also makes all necessary and appropriate administrative arrangements with Mississippi colleges and universities in order to facilitate the performance of its obligations under the Contracts.

The description of the powers herein contained is not intended to be a comprehensive or exhaustive list of the powers of the Board, but is merely illustrative of such powers. Reference must be made in each instance to the Act, the Application, the MPACT Master Contract, and other documents relating to the MPACT Program for a comprehensive statement of the Board's powers in any particular instance. As such, any statement regarding any power of the Board is qualified in its entirety by the terms of the Act, the Rules, and the terms of each such other document relating to the MPACT Program.

Selected Financial Information

The Trust Fund's fiscal year begins on July 1 of each year and ends on June 30 of the following year. Carr, Riggs & Ingram, LLC has audited the MPACT financial statements since the fiscal year ending June 30, 2002. In each fiscal year, the firm has issued an unqualified audit opinion on the financial statements of the MPACT Program stating that "such financial statements present fairly, in all material respects, the financial position of the Mississippi Prepaid Affordable College Tuition Program, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America." Copies of the audited financial statements through June 30, 2010 are available upon request. Copies of the audited financial statements as of June 30, 2011, will be available upon completion of the audit.

Summary of Key Actuarial Assumptions

Funding of the MPACT Program is derived entirely from Contract payments and the investment income earned by the Trust Fund. The Trust Fund's projected amount of future Contract obligations is determined by calculating expected future Mississippi Tuition and Mandatory Fee costs based upon current costs and certain assumptions regarding future periods. Similarly, the Trust Fund's projected assets are determined by calculating expected future assets based upon the actual current value of the Trust Fund's assets and various assumptions regarding future events, such as future rate of return. The projected obligations are then compared with the projected asset values to determine if a funding deficit is anticipated.

This comparison, along with estimating the additional obligations created by future sales of Contracts, is then used to determine the purchase price of new Contracts for a particular Enrollment Period.

The projections and valuations are based on various actuarial assumptions including, among others (i) projected investment return, (ii) rate of tuition increases, (iii) rate of Contract cancellations or withdrawals, (iv) utilization rates of credit hours, (v) timing regarding payment of tuition, and (vi) allocation of enrollment between universities and community colleges. Because the actuarial valuation process relies on such assumptions, actual results may defer, even materially, from the projected results based on those actuarial assumptions. No representation is made or assurance given that future investment results of the Trust Fund will be sufficient for the Trust Fund to satisfy its current or future obligations. If a funding shortfall occurs for any reason, the State shall meet the Contract obligations of the Board to the Beneficiaries.

Investment Policies

The Board is charged with the responsibility for investing the assets of the Trust Fund. Consistent with the Trust's purpose of providing Contracts at a price that reflects current In-State Tuition and Mandatory Fees at Mississippi's Public Postsecondary Institutions, the Board has approved written investment policies with the overall objective of earning a return on monies received from the sale of Contracts that is greater than the tuition costs and Mandatory Fee increases at Mississippi's Public Postsecondary Institutions.

UTMA/UGMA Accounts

Under the Mississippi Uniform Transfer to Minors Act, a person may make an irrevocable transfer to a minor beneficiary, and the transferor retains control of transferred custodial property, subject to the standard of care under UTMA, until the minor beneficiary attains age of majority. MPACT will accept UTMA funds, or funds under other state's laws (sometimes referred to as Uniform Gifts to Minors Act, "UGMA" Accounts), for purchase of an MPACT Contract. UTMA/UGMA accounts generally involve additional restrictions and obligations that do not apply to other MPACT Contracts. If you are considering using the proceeds from a UTMA/UGMA account for such purchase, you should consult your legal advisor to determine if applicable state law permits use of UTMA/UGMA accounts for this purpose and to discuss your ongoing responsibilities under UTMA/UGMA following purchase of an MPACT Contract.

UTMA accounts are subject to the following additional requirements and restrictions: (1) The custodian may not change the Beneficiary of a Contract (directly or by means of a Rollover Distribution); (2) The custodian may not change ownership of the Contract to anyone other than a successor custodian or the Beneficiary without providing MPACT with a court order directing the change; (3) The custodian will be required to notify MPACT when the Beneficiary is legally entitled to take control of the Contract. At that time, the Beneficiary will be able to conduct the same transactions as non-UTMA Purchasers; and (4) The custodian may make a non-qualified withdrawal only in accordance with the UTMA rules, which may require that any withdrawal of funds is necessary for the benefit of the Beneficiary.

MPACT shall not be liable to any Purchaser, Beneficiary, or third party for any breach or violation of applicable UTMA/UGMA law, nor shall MPACT be responsible for, or obligated to ascertain whether, any directions given to MPACT by the Purchaser comply with UTMA/UGMA. Compliance with UTMA/UGMA is solely the responsibility of the Purchaser. MPACT strongly urges those considering using UTMA funds for purchase of an MPACT Contract to review these matters and properly assess your legal obligations and your Beneficiary's rights under UTMA/UGMA law.

SECURITIES CONSIDERATIONS

The Board has received an opinion from legal counsel regarding the MPACT Program's status under federal securities laws. Counsel concluded that: (1) The Contracts may be offered and sold under the Program without compliance with the registration requirements of the Securities Act of 1933 or the qualification provisions of the Trust Indenture Act of 1939, as amended: (2) Any Board member, other officer or employee of the Fund who engages in the offer or sale of the Contracts in the course of his or her official duties as a Board member, other officer or employee of the Fund will not be deemed to be a "broker" (including "municipal securities broker") as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), solely by reason of such activity; and (3) The Fund will not be deemed to be a "dealer" (including a "municipal securities dealer") as defined in the Exchange Act, solely by reason of offering, selling and issuing the Contracts.

TAX CONSIDERATIONS

This section provides a summary of the federal tax considerations related to the treatment of contributions to and withdrawals from the MPACT Program. The information is included for general information only and is not offered as individual tax advice nor is it intended to be used and cannot be used by any taxpayer for the purpose of avoiding federal tax penalties. Due to the possibility that a Purchaser or Beneficiary could be taxed under the tax laws of a state other than Mississippi, no representation is made as to the taxation of Purchaser or Beneficiary under any other state law. A Purchaser or a Beneficiary should consult his or her professional tax advisor regarding his or her individual federal or state tax situation.

Federal Income Tax Consequences

Contributions to qualified tuition programs created pursuant to Section 529 of the Code are not deductible for federal income tax purposes nor will they result in taxable income to a Beneficiary. Under Section 529, if the MPACT Contract is used for Qualified Higher Education Expenses – including Tuition and Mandatory Fees for purposes of MPACT – the increase in the value of the Contract is not subject to federal income tax. While it is not clear in the Temporary Regulations governing Section 529, the Internal Revenue Service may require that Qualified Higher Education Expenses be paid in the same taxable year as a Qualified Withdrawal is taken. If a refund from a Contract is not used for Qualified Higher Education Expenses, then the Purchaser would owe federal tax on the earnings portion of the refund in the year the refund is processed. Additionally, the earnings portion of the refund could be subject to an additional 10% federal penalty tax. The Purchaser or the person receiving the non-qualified refund would be responsible for the income tax and the additional federal penalty tax.

For purposes of determining whether a withdrawal from a qualified tuition program is federally tax-exempt, the following rules apply. Withdrawals may not be used for the same expenses for which a Hope or Lifetime Learning Credit is claimed. If withdrawals from a qualified tuition program and from a Coverdell Education Savings Account ("Coverdell ESA") exceed the Beneficiary's Qualified Higher Education Expenses for the year (after reduction for amounts used in claiming the Hope and Lifetime Learning Credits), then the Beneficiary will be required to allocate the expenses between the withdrawals to determine the amount of withdrawals from the qualified tuition program that were used for Qualified Higher Education Expenses.

Under Section 529, Purchasers may transfer funds from one Section 529 plan to another for the same Beneficiary once every twelve months without incurring federal income tax or penalty. Transfers between prepaid tuition and savings plans maintained by the same state are included in this provision. You may also transfer funds from a Coverdell ESA to a 529 plan, but the investment value must be reduced by the amount of untaxed earnings in the Coverdell ESA roll-over. Series EE U.S. Savings bonds may be redeemed and the proceeds used to purchase an MPACT Contract without any federal income tax on the redemption. The tax basis in the MPACT Contract will be reduced by the gain not recognized at redemption.

Estate and Gift Tax Considerations

Contributions to the MPACT Program are generally considered completed gifts for federal tax purposes and therefore are potentially subject to federal gift tax. Generally, if a Purchaser's payments on a Contract for a Beneficiary, together with all other gifts by the Purchaser to the Beneficiary, are less than the current annual exclusion of $13,000 per year ($26,000 for married couples), no federal gift tax will be imposed on the Purchaser for gifts to the Beneficiary during that year. This annual exclusion amount is indexed for inflation in $1,000 increments and may therefore increase in future years. If a Purchaser's payments on a Contract for a Beneficiary in a single year exceed $13,000 ($26,000 for married couples), the Purchaser may elect to treat up to $65,000 of the payment ($130,000 in the case of a married couple) as having been made ratably over a five-year period. (For purposes of determining the amount of gifts made by the Purchaser to that Beneficiary in the four-year period following the year of contribution, the Purchaser will have to take into account the ratable portion of the Contract payment allocated to that year.)

State Tax Considerations

Contributions made to a Contract are fully deductible from Mississippi taxable income. Contributors are permitted to take a deduction for contributions made no later than the time prescribed by federal law for filing the tax return for the taxable year. Earnings on Contract payments for Qualified Higher Education Expenses generally will not be subject to Mississippi income tax until payments are made pursuant to the Contract. The earnings portion of a non-qualified withdrawal will be taxable to a Mississippi resident recipient of the withdrawal. The contribution portion of a non-qualified withdrawal that was previously deducted for Mississippi income tax purposes will be included in the resident recipient's Mississippi gross income.

FINANCIAL AID AND MEDICAID IMPLICATIONS

The eligibility of the Beneficiary for financial aid will depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in college, as well as on the policies of the governmental agencies, colleges, or private organizations to which the Beneficiary and/or the Beneficiary's family applies for financial assistance. Because a Contract will increase the financial resources available to the Beneficiary, it most likely will have some effect on the Beneficiary's financial aid eligibility. However, because these policies vary at different institutions and can change over time, the Board cannot say with certainty how the federal financial aid program, or the school the Beneficiary applies to, will treat the MPACT Contract. Under Mississippi law assets in the MPACT Program shall not be considered an asset of the Purchaser or the Beneficiary for purposes of determining eligibility for a need-based grant, need-based scholarship or need-based work opportunity offered or administered by any State agency except as may be required by the funding source of such financial aid.

The receipt of Contract benefits should not impact the Beneficiary's qualification for merit-based financial aid (i.e., academic or athletic scholarships, for example). There can be no assurance, however, that the Contract benefits will not be considered either explicitly or implicitly in determining whether a Beneficiary is entitled to or will receive a merit-based scholarship. The Purchaser should contact the financial aid office at the Beneficiary's Postsecondary Institution or another financial aid advisor for information on financial aid award procedures.

The eligibility of a Purchaser or a Beneficiary for Medicaid assistance could be impacted by an MPACT Contract. Although the result is not clear and may vary from state to state, it is possible that the assets in a Contract may be considered a countable resource for determining Medicaid assistance eligibility. Medicaid laws and regulations may change and Purchasers should consult their own financial and/or tax advisors for advice on their own particular situation.

FEDERAL CREDITOR PROTECTION

The Federal Bankruptcy Code provides protection in federal bankruptcy proceedings for Section 529 obligations such as MPACT Contracts. Generally, payments on behalf of an MPACT Contract will be protected depending on the timing of the payments. Contract contributions or payments made at least 720 days prior to the federal bankruptcy filing are protected. Contract payments made less than 720 days but more than 365 days prior to a federal bankruptcy filing will be protected up to $5,475. Contract payments made within 365 days of a federal bankruptcy filing are not protected.

NOTICE ABOUT PRIVACY

Safeguarding your personal information is something the MPACT Program takes very seriously. We respect your right to privacy and recognize our obligation to keep information about you secure and confidential.

The MPACT Program collects nonpublic personal information about Contract Purchasers and Beneficiaries from information we receive from Applications and other forms and information about your transactions with us. The term "nonpublic personal information" means personal information about you which identifies you, and that is not available from public sources.

We do not disclose any nonpublic personal information from any source to anyone outside of the Office of the Treasurer of the State of Mississippi, Colleges and Universities, and our Records Administration Contractor unless:

- proper authorization or direction from you to do so has been received,
- it is required by law (such as the Mississippi Public Records Act of 1983), or
- it is necessary to do so in order to enable service providers to perform work on behalf of the Program.

Personal information provided to the Program is not sold or bartered. We restrict access to your personal and account information to those employees who need to know that information to provide products or services to you. MPACT maintains physical, electronic and procedural safeguards to guard your nonpublic personal information.

When visiting the MPACT Program web site, you can go to pages that are open to the general public. If you provide personal information in order to receive materials about the MPACT Program, such information will be used for that purpose only.

IN ACCORDANCE WITH SECTION 37-155-25 OF THE MISSISSIPPI CODE, THE STATE OF MISSISSIPPI HAS AGREED TO MEET THE OBLIGATIONS OF THE BOARD TO THE BENEFICIARIES IF MONIES IN THE TRUST FUND FAIL TO OFFSET THE OBLIGATIONS OF THE BOARD.

MPACT MASTER CONTRACT

For the 2011 Enrollment Period
September 1, 2011 to December 31, 2011

SECTION I - INTRODUCTION

This MPACT Master Contract, as amended from time to time, describes the basic terms and conditions of the Mississippi Prepaid Affordable College Tuition Program Trust Fund, established by the Mississippi Legislature as an agency and instrumentality of the State of Mississippi. The obligations and responsibilities of the State Treasurer on behalf of the Board of Directors of the College Savings Plans of Mississippi Trust Fund (the "Board") are defined by Mississippi Code Annotated §§ 37-155-1 to -27 (the "Act"), the Disclosure Statement, Rules and Regulations & Procedures (the "Rules"), and the policies and guidelines of the Board. The Application, this Master Contract, the Rules, and the Participation and Payment Schedule constitute the entire MPACT Contract between the Purchaser and the Board. Amendments to the Rules or additional documents relating to the Contract issued or received by the Board pursuant to the various terms and conditions described herein will be incorporated into the Contract. The Rules are delivered to each Purchaser upon enrollment in the Program and they are available on the Program website at www.prepaidtuition.com/solutionsapp/ms/images/RULESMPACT.pdf.

SECTION II - DEFINITIONS

The definitions of terms included in the Act and in the applicable provision of the Rules, as amended from time to time, shall apply to the Contract and are incorporated herein by reference.

2.01 "Actuarial Assessment" means an additional Contract amount assessed by the State Treasurer to preserve the actuarial soundness of the Trust Fund. For an unpaid or partially paid lump sum account, this amount will be a percentage of the outstanding balance per month determined by the actuary. For the reinstatement of a Monthly Payment Plan the actuarial assessment is the difference between the present value of the prescribed monthly payments and the present value of the payments actually made by the purchaser. The actuarial assessment for a change in length of a monthly payment Contract is the difference between the present values of the Contract payments of the old and new payment schedules.

2.02 "Administrative Fees" means the fees that are set forth in Section VIII of this Contract and which may be imposed from time to time in the future by the Board.

2.03 "Cancellation" means voluntary discontinuation of the Purchaser from the MPACT Program and voluntary discontinuation of the Qualified Beneficiary's right to receive benefits under an MPACT Contract, when requested by the Purchaser, so long as the Purchaser has provided at least thirty (30) days' written notice to the State Treasurer and has submitted all applicable Administrative Fees (as set forth in Section VIII of this Contract and as may be amended in the future by the Board). An MPACT Contract may also be involuntarily cancelled for any of the following reasons: (1) The Purchaser fails to make payments pursuant to the MPACT Master Contract and/or the Participation and Payment Schedule; or (2) The Purchaser fails to make a Contract payment within forty-five (45) days of the first payment due date following the close of the MPACT Enrollment period during which the Application was submitted.

2.04 "Cancellation Fee" means an amount not to exceed $25 or as otherwise listed in Section VIII of this Contract.

2.05 "Contract Purchaser" means any adult person, corporation, trust, charitable organization or other Entity eligible to purchase an MPACT Contract, and who is obligated to make Contract payments and Administrative Fee payments in accordance with the MPACT Contract. MPACT Contract payments may be made by someone other than the designated Contract Purchaser. A Contract Purchaser must be either a U.S. citizen or a permanent resident alien. In each case the Contract Purchaser will have either a Social Security or a Taxpayer Identification Number.

2.06 "Current Tuition Value" means the weighted average of In-State Tuition and Mandatory Fees at the four-year public Institutions of Higher Education in Mississippi for senior college Contracts and it means the weighted average of In-State Tuition and Mandatory Fees at the public two-year Institutions of Higher Education in Mississippi for community/junior college Contracts.

2.07 "Disability of the Qualified Beneficiary" means a disability which, based on the findings of a qualified health care professional, and on approval of these findings by the Board, renders the Qualified Beneficiary incapable of participating in higher education.

2.08 "Enrollment Period" means any period designated by the Board during which Applications for enrollment in the MPACT Program will be accepted by the State Treasurer.

2.09 "In-State Tuition" means the tuition rate charged to a student who meets the State residency requirements established by the Board of Trustees of State Institutions of Higher Learning or the individual school attended by the student.

2.10 "Mandatory Fees" means those fees required as A CONDITION OF ENROLLMENT for ALL students attending the Postsecondary Institution in which the Qualified Beneficiary is enrolled and to which the Trust Fund payments will be made on behalf of the Qualified Beneficiary. Those fees charged to all students may include, but are not limited to, activity fees, health center fees, technology fees, etc. Those fees which are unique to a particular student or group of students such as lab fees are not considered to be mandatory. The term "Mandatory Fees," as used herein, does not include charges for books, supplies, room, or board even if the Postsecondary Institution attended by the Qualified Beneficiary requires all students to pay such charges. Additionally, the term "Mandatory Fees" does not include fees paid to Postsecondary Institutions when the Qualified Beneficiary applies for enrollment or orientation fees.

2.11 "MPACT Contract", also referred to as the "Contract," refers collectively to the Application, this MPACT Master Contract, the Participation and Payment Schedule, and the Rules. Amendments to the Contract documents will be incorporated into this MPACT Master Contract.

2.12 "MPACT Program", also referred to as the "Program," means the Mississippi Prepaid Affordable College Tuition Program established by the Mississippi Legislature and administered within the Mississippi Treasury Department pursuant to the Act.

2.13 "Official Change Period" means any period so designated by the Board during which the MPACT Contract Purchaser may submit a written request for approval of changes in MPACT Contract terms, conditions, or information. Such changes may include, but are not limited to, changes in the Participation and Payment Schedule; changes in information provided on the Application, this MPACT Master Contract, or on other MPACT documents; changes in payment method; and similar types of requests. Changes may be made outside of an Official Change Period only with the approval of the Board.

2.14 "Partial Scholarship" or "Full Scholarship" or "Scholarship" means grants, gifts, or other financial aid awarded to a Qualified Beneficiary in an amount sufficient to pay a portion or all of the same benefits as are guaranteed under an MPACT Contract. A loan is not considered a scholarship.

2.15 "Participation and Payment Schedule" means the document, prepared by the State Treasurer, which defines the frequency, duration, and due date of MPACT Contract Payments, based on information provided by the Purchaser on the Application.

2.16 "Projected College Entrance Date" means the Academic School Year following the Qualified Beneficiary's projected high school graduation and is the earliest date for utilization of MPACT Contract benefits without written approval from the State Treasurer.

2.17 "Qualified Beneficiary" means an individual who meets all Beneficiary eligibility criteria and who is designated by the Purchaser of an MPACT Contract to be the recipient of MPACT Contract benefits. An individual may be named the Beneficiary of an MPACT Contract if such individual meets all of the following requirements: (A) The individual is a resident of the State of Mississippi or a nonresident if the Purchaser is a Mississippi resident; (B) The individual is eighteen (18) years of age or younger on the first day of the enrollment period in question; (C) The individual is not yet enrolled in an institution of higher learning; and (D) The individual has been born at the time the original Application is submitted. A Beneficiary must be a U.S. citizen or a permanent resident alien. In each case the Beneficiary will have either a Social Security or a Taxpayer Identification Number. All references to the Contract Beneficiary within this Contract assume that the Beneficiary meets the Beneficiary eligibility requirements of MPACT, and is, therefore, a Qualified Beneficiary.

2.18 "Qualified Higher Education Expenses" means the expenses allowed under Section 529 of the Code and which are also allowed under the Program. For purposes of the Program, this includes tuition and the mandatory fees associated with attendance at an eligible educational institution.

2.19 "Redemption Value" means the amount of refund which shall include but not be limited to the amount paid in and an additional amount in the nature of interest at a rate that corresponds to the prevailing interest rates for savings accounts provided by banks and savings and loan associations, less any Administrative Fees paid (including an applicable Cancellation Fee). The Board may impose reasonable charges for such withdrawal or refund.

2.20 "Termination" means involuntary discontinuation of the Purchaser from the MPACT Program and involuntary discontinuation of the Beneficiary's rights to receive benefits under an MPACT Contract. An MPACT Contract may be involuntarily terminated for any of the following reasons: (1) The Purchaser or Beneficiary has made a material misrepresentation of information; (2) The Purchaser or Beneficiary has provided false information to the MPACT Program; (3) The Purchaser has requested or accepted any form of compensation, fee, commission, service charge or any other form of payment or remuneration for entering into a Contract for the benefit of a nonresident Beneficiary; or (4) Such other reasons as the State Treasurer may reasonably impose.

SECTION III - CONTRACT BENEFITS

3.01 General. The MPACT Contract guarantees, unless otherwise stated herein, payment by the Trust Fund of In-State Tuition and Mandatory Fees on behalf of the Qualified Beneficiary of the MPACT Contract, to the Postsecondary Institution in which the Qualified Beneficiary matriculates as follows:

(A) Payment of In-State Tuition of not more than five years (defined as 160 semester hours) OR payment of In-State Tuition until award of a baccalaureate degree to the Qualified Beneficiary, whichever comes first; AND

(B) Payment of Mandatory Fees for not more than ten (10) registrations on a semester system, fifteen (15) registrations on a quarter system, or the completion of 160 semester hours or the academic equivalent units on a quarter system or other academic term basis.

MPACT may make payments on behalf of Qualified Beneficiaries from unused Contract hours to graduate institutions in the same manner and under the same rules as payments to private or out-of-State undergraduate institutions.

3.02 Program Restrictions. Only one individual may be named on the Application and in the Contract as the Contract Purchaser. However, more than one Contract can be purchased for a Qualified Beneficiary, provided that the total amount of tuition purchased does not exceed the limits enumerated above.

CONTRACT BENEFITS ARE BASED ON IN-STATE TUITION AND MANDATORY FEE RATES OF MISSISSIPPI PUBLIC INSTITUTIONS OF HIGHER LEARNING.

SECTION IV - PAYMENTS

4.01 General. Payments are due in the amounts and on the dates specified in the Participation and Payment Schedule. For the 2011 Enrollment Period, all lump sum payments are due February 1, 2012. An Actuarial Assessment may be added for each month that the lump sum payment is past due. Late payment fees may also be assessed. For monthly payment plans, the first monthly payment is due February 1, 2012, with the remaining payments due on the first day of each month until the Contract is paid in full. An Actuarial Assessment may be added for each month that the payment is past due. Late payment fees may also be assessed. All payments due under the MPACT Contract must be "cash contributions" made by personal check, money order, cashier's check, Automatic Bank Draft (ACH payment) or other certified funds (including credit cards for on-line payments, if applicable). Non-cash contributions cannot be accepted.

4.02 Purchaser's Responsibility. The Purchaser is responsible for making all payments on time, even if the Purchaser has not received a Participation and Payment Schedule from MPACT, or even if the Purchaser's selected payment method has not been implemented. The Purchaser is responsible for verifying the effective date of the selected payment method. The MPACT Contract will be cancelled if no Contract payments have been received within 45 days of the first payment due date.

4.03 Returned Items. A fee of $15 shall be assessed for all returned payments.

4.04 Late Payments. A late fee of $15 will be added to each monthly payment not received within fifteen (15) days of the due date.

4.05 Default. Failure to make any payment within thirty (30) days of the date due will constitute default of the Contract. All rights of the Beneficiary under the Contract may be terminated or suspended upon default. If, within 180 days of default, the Purchaser pays all delinquent amounts including Actuarial Assessments and Administrative Fees, the Beneficiary's rights under the Contract will be reinstated. If, within 180 days of default, no payment is received, the Contract will be suspended.

4.06 Reinstatement. A request for reinstatement of a cancelled Contract may be submitted in writing by the Purchaser, with appropriate justification, as determined by the State Treasurer. A Contract will not be reinstated until all delinquent amounts, including Actuarial Assessments and Administrative Fees, have been received. The Purchaser may also request to convert the payment plan or number and type of tuition years to an arrangement where the Contract is no longer delinquent.

4.07 Change in Payment Method. Requests for a change in payment method must be submitted in writing and approved by the State Treasurer.

4.08 Changes in Payment Schedule. Changes in payment schedule shall include a $20 Administrative Fee and may be requested in writing during the 2011 Enrollment Period through the 10th day of the month in which the first payment is due. A change at any other time must be submitted in writing and be approved by the State Treasurer.

4.09 Account Maintenance Fee. Each Contract payment includes a nonrefundable account maintenance fee for monthly accounts, and a nonrefundable account maintenance fee for lump sum payments.

SECTION V - CANCELLATION, TERMINATION AND REFUND

5.01 General. Participation in the MPACT Program is strictly voluntary. The MPACT Contract can be cancelled at any time upon receipt of a written request from the Contract Purchaser. Except for circumstances described below, Cancellation or Termination shall entitle the Purchaser to a refund of the Redemption Value of the Contract. Refunds may be paid in installments. The Contract is not a debt instrument.

5.02 Death or Disability of the Beneficiary. Refunds made with respect to the death or disability of the Qualified Beneficiary may exceed the amounts paid into the Trust Fund and the Redemption Value as specified in 5.01. Under these circumstances, the Purchaser shall receive a refund equal to the sum of all MPACT Contract payments paid to date, excluding all Administrative Fees, minus any amount paid by the Trust Fund to Postsecondary Institutions on behalf of the Qualified Beneficiary, with such net amounts adjusted to reflect the increase in Current Tuition Value over the period from the purchase of the Contract to the date the refund calculation is made.

5.03 Scholarship. If the Qualified Beneficiary receives a full or partial scholarship, the Purchaser may elect to cancel the Contract and request a refund, or the Contract can be transferred to a substitute Qualified Beneficiary. Any refund will be equal to the Redemption Value of the Contract. If the Contract is not transferred or cancelled, MPACT will make payment to the college or university based on the invoice submitted by the institution and subject to the Rules. If such an invoice is for the full amount covered under the MPACT Contract, it will then be the responsibility of the Purchaser to request any refund due directly from the school involved. If the invoice from the college or university is for a reduced amount (an amount less than that contracted for by the Purchaser) due to a scholarship, then the Purchaser should request a refund from MPACT of the difference between the invoiced amount and the amount for which the Purchaser contracted.

5.04 Cancellation. If the Contract is cancelled for reasons other than as stated in Sections 5.02 and 5.03, and provided the Purchaser gives MPACT at least thirty (30) days written notice of request for refund, the Purchaser will receive a refund of the Redemption Value of the Contract, less the Cancellation Fee, and other Administrative Fees, if any.

5.05 Termination. If the Contract is Terminated as defined in Section 2.20, the Purchaser will receive a refund of the Redemption Value of the Contract less a Termination Fee of one hundred percent (100%) of the amount paid into the trust fund, excluding Administrative Fees, said fee not to exceed a maximum of five hundred dollars ($500).

SECTION VI - SUBSTITUTION, ASSIGNMENT, OR TRANSFER

6.01 Substitution of the Qualified Beneficiary. Contract benefits may be transferred to an eligible Substitute Beneficiary upon satisfaction and verification of the following: (A) A written request for substitution of the Qualified Beneficiary addressed to MPACT; (B) A written statement and acceptable documentation verifying that the Substitute Beneficiary has been born and is a member of the family of the preceding Qualified Beneficiary (this includes the brother, sister, half-brother, half-sister, stepbrother, stepsister, legally adopted sibling, or a first cousin of the preceding Beneficiary); (C) The Substitute Beneficiary must meet the residency requirements as defined in Section 2.17 and the Rules; (D) The Substitute Beneficiary must be eighteen (18) years of age or younger; (E) The Substitute has been born at the time the original Application is submitted; (F) The Substitute Beneficiary has not yet enrolled in a Postsecondary Institution; (G) The Substitute Beneficiary has a Projected College Entrance Date that is the same or later than the Projected College Entrance Date of the Qualified Beneficiary; (H) The substitution is made before the Qualified Beneficiary matriculates in a Postsecondary Institution or utilizes any of the Contract benefits; and (I) The request for substitution includes payment of a Substitute Beneficiary Administrative Fee of $20 and any Actuarial Assessment calculated by MPACT. If special permission is granted by MPACT to transfer the Contract benefits to a Substitute Beneficiary whose Projected College Entrance Date is earlier than that of the original Qualified Beneficiary, the Purchaser must pay an Actuarial Assessment calculated by MPACT before the substitution will be made.

6.02 Beneficiary Substitution After Contract Benefits Have Been Utilized by the original Beneficiary. Once a portion of Contract benefits have been used, Beneficiary substitution may be allowed only if the proposed Substitute Beneficiary meets the requirements for substitution as set out in Section 6.01, at least 15 semester hours of tuition benefits remain on the Contract, and the Substitute Beneficiary does not already have an MPACT Contract. A request for Beneficiary substitution must be made prior to graduation from college of the original Beneficiary.

6.03 Change in Purchaser. A request to transfer the Contract benefits from one Purchaser to another shall be submitted, in writing, signed by both the original and new Purchaser, and shall include a $20 Administrative Fee.

6.04 Assignment or Transfer. Except as specifically provided herein, this Contract may not be assigned or transferred, nor may any interest, rights, or benefits in this Contract be assigned or transferred. Under no circumstances may any interest in any MPACT Contract be subject to the pledge or used otherwise as security for a loan, and any agreement to so encumber any Contract shall result in the automatic Termination of that Contract.

SECTION VII - TIME FOR EXERCISING CONTRACT BENEFITS

7.01 Advance or Delayed Exercise. Contract benefits may be used for up to ten (10) years after the Projected College Entrance Date of the Qualified Beneficiary, or the actual college entrance date of a Qualified Beneficiary who is an accelerated student, subject to the Rules. The Contract benefits may be used up to three (3) years in advance of the Beneficiary's Projected College Entrance Date if the Beneficiary is an accelerated student. The Contract, all Administrative Fees, and all Actuarial Assessments must be paid in full before the Contract benefits may be used.

SECTION VIII - ADMINISTRATIVE FEES

8.01 Administrative Fees. Administrative Fees shall be assessed when an Application is submitted for a Contract, when alterations are made in the ordinary services provided by the MPACT Program, or when the Purchaser makes changes in Contract information. The amount charged for each of these Fees, and the types of Fees, are subject to change during the life of any Contract.

8.02 Fees Assessed. Administrative Fees include, but are not limited to, the following:

(A.) Application Processing Fee .... $ 60
(B.) Cancellation Fee (See Sections 2.03 and 5.04) .... $ 25
(C.) Termination Fee (See Sections 2.20 and 5.05) .... $ 500
(D.) Substitute Beneficiary Fee .... $ 20
(E.) Fee for Document Replacement or Copies .... $ 7
(F.) Fee for Failure to Provide Sufficient Notification of Intent to Use Contract Benefits .... $ 45
(G.) Fee for Changes in Payment Schedule .... $ 20
(H.) Account Maintenance Fee: Monthly Payments .... $ 2 per month
Account Maintenance Fee: Lump Sum Payments .... $ 3 per year
(I.) Fee for Transfer of Contract Benefits to Another Purchaser .... $ 20
(J.) Fee for Enrollment in a Private In-State Postsecondary or Graduate Institution or in an Out-of-State Postsecondary or Graduate Institution .... $ 25
(K.) On-line Contract Payments by E-check Fee .... $ 2 per charge
(L.) On-line Contract Payments by Credit Card Fee .... 2.9% of the credit card charge
(M.) Any other Administrative Fees established in the MPACT Program Rules.

SECTION IX - MATRICULATION AT AN INDEPENDENT/PRIVATE IN-STATE, AN OUT-OF-STATE OR FOREIGN POSTSECONDARY INSTITUTION

9.01 General. If the Qualified Beneficiary matriculates in an In-State Independent/Private Postsecondary or Graduate Institution, an Out-of-State Postsecondary or Graduate Institution, or Postsecondary Institution located outside the United States, the Current Tuition Value shall be forwarded each academic term to the Postsecondary Institution on an academically equivalent hourly basis subject to the provisions of this Contract. However, it is the responsibility of the Purchaser to arrange for the Institution to bill the MPACT Program for Tuition and Mandatory Fees. The Current Tuition Value will be updated annually. The Current Tuition Value forwarded each academic term shall not exceed the cost of undergraduate In-State Tuition plus Mandatory Fees of the Postsecondary Institution.

SECTION X - MISCELLANEOUS PROVISIONS

10.01 Notices & Changes. All notices, changes, and choices made under the Contract must be in writing, signed by the Purchaser and received by the State Treasurer at the address listed on the Contract, along with any supporting documentation the State Treasurer may reasonably require and any applicable Administrative Fees and/or Actuarial Assessments.

10.02 Additional Fees Charged by Postsecondary Institutions. Postsecondary Institutions may charge fees in addition to the Mandatory Fees described herein. The Qualified Beneficiary will bear the cost of any such additional fees which may include, but are not limited to, health fees, athletic fees, laboratory fees, and orientation fees.

10.03 Identification Card. To receive Contract Benefits, the Qualified Beneficiary may be required to submit a valid Identification Card, issued by MPACT, to the Qualified Beneficiary's Postsecondary Institution. No Contract benefits will be paid unless the Contract is paid in full, including all Administrative Fees and Actuarial Assessments, and the Qualified Beneficiary has provided to MPACT a valid Social Security or Taxpayer Identification Number.

10.04 Limitation of Liability. Any damages recoverable by a Purchaser or Beneficiary pursuant to this Contract shall be limited to the applicable refund amount set forth in Section V herein and no Board member shall be held liable in his or her individual capacity.

10.05 Annual Statements. The Purchaser shall receive an annual statement from MPACT indicating amounts paid into the Trust Fund.

10.06 Disclaimers. Nothing in the Contract shall be construed as a promise or guarantee by the Board of the College Savings Plans of Mississippi, the State Treasurer, employees or consultants of the State Treasurer and/or Board, or the State of Mississippi that a Qualified Beneficiary (a) will be admitted to a Postsecondary Institution; (b) will be admitted to a particular Postsecondary Institution; (c) will be allowed to continue to attend a Postsecondary Institution after being admitted; or (d) will be graduated from a Postsecondary Institution.

10.07 **Promulgation and Amendment of Rules, Regulations & Procedures.** The College Savings Plans of Mississippi Board of Directors and/or the State Treasurer, on behalf of the Board, shall promulgate such other Rules as are deemed necessary to implement the MPACT Program and shall amend such Rules as is necessary for the operation of the MPACT Program. Amendments to the Rules and other Contract documents, as well as newly promulgated Rules or other documents, will be incorporated into this Contract.

10.08 **Waiver of Rules, Regulations & Procedures.** The State Treasurer may waive portions of these Rules to prevent hardship to the Purchaser or Qualified Beneficiary.

10.09 **Interpretation.** This Contract is to be interpreted under the laws of the State of Mississippi.

10.10 **Severability.** In the event that any clause or portion of this Contract is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Contract and the remainder of the Contract will remain in full force and effect.

10.11 **Total Investment Authority Rests with Board.** Decisions regarding the investment of Trust Fund assets are within the sole discretion of the Board.

The MPACT Contract only guarantees payment by the Trust Fund of In-State Tuition and Mandatory Fees, as defined herein, on behalf of the Qualified Beneficiary of the MPACT Contract.

Tate Reeves

The Honorable Tate Reeves
State Treasurer of Mississippi
Chairman, College Savings Plans of Mississippi
Board of Directors
on behalf of the Board

A13519

CollegeSavingsMACS
MISSISSIPPI

Mississippi Affordable College Savings (MACS) Program

Direct Plan Disclosure Booklet and Participation Agreement

April 4, 2012

Administrator:
The Board of Directors of the College Savings Plans of Mississippi

Direct Plan Manager:
TIAA-CREF Tuition Financing, Inc.

TIAA CREF
Financial Services

MS1204.XXP

Please keep this Disclosure Booklet and the Participation Agreement with your other records about the Mississippi Affordable College Savings Program, a direct-sold program (the "**Direct Plan**"). You should read and understand this Disclosure Booklet before you make contributions to the Direct Plan.

No person has been authorized by the State of Mississippi, the Board of Directors of the College Savings Plans of Mississippi (the "**Board**") or the State of Mississippi Treasury Department to give any information or to make any representations other than those contained in this document and, if given or made, such other information or representations must not be relied upon as having been authorized by the State of Mississippi, the Board or the State of Mississippi Treasury Department. The information in this Disclosure Booklet is subject to change without notice.

This Disclosure Booklet does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of a security in the Direct Plan by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

If you or the Beneficiary of your Account reside in another state or have taxable income in another state, it is important for you to note that if that state has established a qualified tuition program under Section 529 of the Internal Revenue Code, that state's program may offer favorable state income tax benefits or other benefits that are only available if you invest in that state's program. Those benefits, if any, should be one of the many appropriately weighted factors you consider before making a decision to invest in the Direct Plan. You should consult with a qualified advisor or contact that state's qualified tuition program to find out more about such benefits (including any applicable limitations) and to learn how the features, benefits and limitations of that state's program may apply to your specific circumstances.

The Direct Plan is intended to be used only to save for qualified higher education expenses. The Direct Plan is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. The tax information contained in this Disclosure Booklet was written to support the promotion and marketing of the Direct Plan and was neither written nor intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding federal or state taxes or tax penalties. Taxpayers should seek tax advice from an independent tax advisor based on their own particular circumstances.

Neither the Federal Deposit Insurance Corporation nor any other government agency or entity provides any insurance or guarantee to Account Owners.

Neither the Mississippi Affordable College Savings Trust Fund, the Mississippi Affordable College Savings Program, the Direct Plan, the Board, any Board member nor the State of Mississippi insure any Account or guarantee any rate of return or any interest on any contribution.

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Introduction to the Direct Plan

The Mississippi Affordable College Savings Program (the "**MACS Program**"), the State's higher education qualified tuition savings program, is designed to help people save for the costs of higher education. The Direct Plan was implemented, and is administered as part of the MACS Program, by the Board. The Direct Plan is intended to meet the requirements of a qualified tuition program under Internal Revenue Code ("**IRC**") Section 529 ("**Section 529**"). Currently, there are federal and Mississippi tax benefits offered to Account Owners of the Direct Plan.

The MACS Program consists of two components – the Direct Plan, which is offered directly to Account Owners, and the Mississippi Affordable College Savings Advisor Program (the "**Advisor Plan**"), which can be purchased only through certain financial advisors. The Board has also established the Mississippi Prepaid Affordable College Tuition Program (the "**Prepaid Program**"), a qualified tuition program for prepaid tuition accounts.

The Direct Plan is authorized by the statute that created the MACS Program, codified at sections 37-155-101 to 37-155-125 of the Mississippi Code, and any rules and regulations promulgated by the Board thereunder, as amended (the "**Statute**").

This Disclosure Booklet is only intended for use in connection with an Account opened in the Direct Plan. It is not intended for use in connection with accounts in the Advisor Plan or in connection with contracts purchased in the Prepaid Program. The Advisor Plan and the Prepaid Program may offer different benefits and may be marketed differently from the Direct Plan. The Advisor Plan and the Prepaid Program may assess different fees, withdrawal penalties, and sales commissions relative to the Direct Plan.

For more information about the Advisor Plan, please contact your financial advisor.

For more information about the Prepaid Program and the open enrollment period, you can (1) visit the Prepaid Program's website at www.CollegeSavingsMississippi.com; (2) call the Office of the State Treasurer at 1-601-359-5255, or toll-free at 1-800-987-4450; or (3) write to P.O. Box 120, Jackson, MS 39205.

Please note that after you open your Account, you may access information about your Account through the toll-free, automated telephone number for the Direct Plan at 1-800-486-3670. If you are an individual Account Owner, you may access information on a password-protected section of the Direct Plan's website. In addition to accessing your Account information, you may change your physical address, bank information and your e-mail address in the password-protected section of the Direct Plan website.

To obtain forms related to your Account and the Direct Plan ("**Direct Plan Forms**") or to request additional information, including additional copies of this Disclosure Booklet, you can: (1) visit the Direct Plan's website at www.MS529.com; (2) call the Direct Plan toll-free at 1-800-486-3670; or (3) write to the Direct Plan at PO Box 55037, Boston, MA 02205-5037.

Key Features of the Direct Plan

This section provides summary information about certain key features of the Direct Plan, but it is important that you read the entire Disclosure Booklet and Participation Agreement for more detailed information. Capitalized terms used in this section are defined in "Important Defined Terms" or elsewhere in the Disclosure Booklet.

Feature	Description	Additional Information
State Administrator	The Board of Directors of the College Savings Plans of Mississippi.	*Oversight of the Direct Plan*, page 20.
Direct Plan Manager	TIAA-CREF Tuition Financing, Inc.	*The Direct Plan Manager*, page 20.
Eligible Account Owner	Any U.S. citizen or resident alien with a valid Social Security Number or Taxpayer Identification Number ("**TIN**"). Accounts may also be opened by certain other types of entities with a valid TIN (additional restrictions may apply to such Accounts).	*Getting Started/Changes to Your Account*, page 6.
Eligible Beneficiary	Any U.S. citizen or resident alien with a Social Security Number or TIN, including the Account Owner.	*Getting Started/ Changes to Your Account*, page 6.
Minimum Contribution	The minimum initial and subsequent contribution is $25 per Investment Option. If contributions are made via payroll deduction, the minimum contribution is $15 per Investment Option per pay period.	*Contributing to Your Account*, page 7.
Current Maximum Account Balance Limit	The current Maximum Account Balance Limit is $235,000 per Beneficiary. For purposes of this limit, the value of an Account in the Direct Plan, the value of any account in the Advisor Plan and the value of any contract in the Prepaid Program are aggregated for each Beneficiary.	*Contributing to Your Account*, page 7.
Qualified Withdrawals	Qualified Withdrawals must be used to pay for tuition, certain room and board expenses, fees and the costs of books, supplies and equipment required for the enrollment or attendance of the Beneficiary at an Eligible Educational Institution.	*Withdrawals*, page 18; *Tax Information*, page 21.
Investment Options	• **One** age-based option. • **Two** options that invest in multiple Underlying Funds. • **One** principal plus interest option.	*Investment Options*, page 13.
Transfers Among Investment Options	You may transfer all or a portion of the funds already in your Account to different Investment Options within the Direct Plan once per calendar year for the same Beneficiary or when you change the Beneficiary of your Account to a Member of the Family of the Beneficiary. If you have an Account in the Direct Plan and an account in the Advisor Plan for the same Beneficiary, a transfer of funds among investment options in either plan counts as your once per year transfer as does a transfer from investment options in one plan within the MACS Program to investment options in the other plan for the same Beneficiary.	*Transferring Funds*, page 8.

Feature	Description	Additional Information
Federal Tax Benefits	• Account earnings accrue free of federal income tax. • Qualified Withdrawals and Rollovers are not subject to federal income tax (including the Additional Tax). • No federal gift tax on contributions of up to $65,000 (single filer) and $130,000 (married couple) if prorated over 5 years. • Contributions are generally considered completed gifts to the Beneficiary for federal gift and estate tax purposes.	*Tax Information*, page 21.
Mississippi Tax Treatment	• Contributions are deductible for Mississippi income tax purposes up to $10,000 per year for a single income tax return filer ($20,000 per year for joint filers). • Qualified Withdrawals, Rollovers and Taxable Withdrawals are not subject to Mississippi income tax. • **Mississippi tax benefits are only available to Mississippi taxpayers.** • Non-Qualified Withdrawals will be subject to Mississippi income tax on earnings, if any. The contribution portion of a Non-Qualified Withdrawal that was previously deducted for Mississippi income tax purposes will also be included in the resident recipient's Mississippi gross income.	*Tax Information*, page 21.
Current Direct Plan Fees	Direct Plan Manager Fee: The Direct Plan currently pays a plan management fee (the "**Direct Plan Manager Fee**") at an annual rate of 0.50% of the average daily net assets of the Direct Plan (excluding any assets in the Guaranteed Option). The Direct Plan Manager Fee may decrease as assets in the Direct Plan increase.	*Direct Plan Fees*, page 10.
Performance	Performance data for the Investment Options will be updated on a monthly basis and can be obtained on the Direct Plan's website or by calling the Direct Plan's toll-free number.	*Past Performance*, page 15.
Risks of Investing in the Direct Plan	• Assets in an Account are not guaranteed. • The value of your Account may decrease. You could lose money, including the principal you invest. • Federal or state tax law changes could negatively affect participation in the Direct Plan. • Certain changes could be made to the Direct Plan that could make it less favorable to investors, including an increase in existing fees and expenses or the addition of new fees and expenses. • The Board may terminate, add or merge Investment Options, change underlying investment vehicles or change allocations. • Contributions to an Account may adversely affect the Account Owner or Beneficiary's eligibility for financial aid or other benefits.	*Risks of Investing in the Direct Plan*, page 16.
Contact Information	Call the Direct Plan toll-free at 1-800-486-3670, visit the Direct Plan website at www.MS529.com or write to the Direct Plan at The Mississippi Affordable College Savings Program, PO Box 55037, Boston, MA 02205-5037.	*Introduction to the Direct Plan*, page 1; *Back Cover*.

Important Defined Terms

The Disclosure Booklet and Participation Agreement are intended to be as clear and understandable as possible. However, certain words and terms used throughout the Disclosure Booklet do carry special meanings in connection with the Direct Plan. This glossary of certain terms is included here for your convenience. Refer to the text throughout the Disclosure Booklet for a more complete discussion of these terms.

Account	An account in the Direct Plan opened by an Account Owner for a Beneficiary.
Account Owner/You	The individual or entity establishing an Account in the Direct Plan.
Additional Tax	A 10% additional federal tax imposed on the earnings portion of Non-Qualified Withdrawals.
Beneficiary	The beneficiary for an Account in the Direct Plan designated by the Account Owner.
Board	The Board of Directors of the College Savings Plans of Mississippi.
Direct Plan	The plan in the MACS Program which is sold directly to Account Owners.
Direct Plan Manager	TIAA-CREF Tuition Financing, Inc. ("**TFI**").
Eligible Educational Institutions	Accredited, postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree or another recognized postsecondary credential, including certain proprietary institutions and postsecondary technical and vocational schools and certain institutions in foreign countries that are eligible to participate in a financial aid program under Title IV of the Higher Education Act of 1965.
Funding Agreement	The funding agreement issued by TIAA-CREF Life Insurance Company to the Board on behalf of the Trust that is underlying the Guaranteed Option.
Investment Options	The Direct Plan investment options in which you may invest your contributions.
IRC	The Internal Revenue Code of 1986, as amended.
MACS Program	The Mississippi Affordable College Savings Program established by the State. The MACS Program includes the Direct Plan, which is described in this Disclosure Booklet, and the Advisor Plan.
Member of the Family	A person related to the Beneficiary as follows: (1) a child or a descendant of a child; (2) a brother, sister, stepbrother or stepsister; (3) the father or mother, or an ancestor of either; (4) a stepfather or stepmother; (5) a son or daughter of a brother or sister; (6) a brother or sister of the father or mother; (7) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law; (8) the spouse of any of the foregoing individuals or the spouse of the Beneficiary; or (9) a first cousin of the Beneficiary. For this purpose, a child includes a legally adopted child and a stepson or stepdaughter, and a brother or sister includes a half-brother or half-sister.
Participation Agreement	The agreement executed by an Account Owner and the Board setting forth certain terms and conditions governing an Account.
Qualified Higher Education Expenses	Generally, tuition, certain room and board expenses, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution.
Qualified Withdrawal	Any withdrawal from your Account that is used to pay the Qualified Higher Education Expenses of the Beneficiary.

Trust	The Mississippi Affordable College Savings Trust Fund.
Underlying Fund/Fund	A mutual fund, as approved by the Board, in which an Investment Option in the Direct Plan is invested.
Unit	An interest in an Investment Option that is purchased with a contribution to an Account.

Getting Started/Changes to Your Account

Opening Your Account. To open an Account, you must first complete and sign an application (the "**Application**"). The Application incorporates the Participation Agreement and this Disclosure Booklet by reference. You will be asked on your application to designate a Beneficiary and select the Investment Options in which you want to invest contributions. If you are an individual Account Owner, you may designate a contingent Account Owner (the "**Contingent Account Owner**") on your Application.

You may obtain an Application and enrollment kit by contacting the Direct Plan or by accessing the Direct Plan's website. You may complete and submit the Application online on the Direct Plan's website, or you may mail your completed Application to the following address: The Mississippi Affordable College Savings Program, PO Box 55037, Boston, MA 02205-5037. Once the Direct Plan receives your completed Application in good order with a check or other authorization for your initial contribution, an Account will generally be opened for you.

By signing the Application, you agree that your Account is subject to the terms and conditions set forth in the Participation Agreement, which is in this Disclosure Booklet. Any amendments to the Statute or any rules or regulations adopted by the Board, or to federal or Mississippi tax law will automatically amend the Participation Agreement. You will be notified of any material changes in the terms governing your Account.

When you open an Account, you will be asked for your name, address (which must be a valid U.S. address that is not a post office box), date of birth, Social Security Number or TIN and other information that will allow the Direct Plan to identify you, such as your home telephone number. Until you provide the information needed, the Direct Plan will not be able to open your Account. There may be only one Account Owner per Account.

Account Ownership. To be eligible to be an Account Owner, you must be:

- A U.S. citizen or resident alien with a valid Social Security Number or TIN. Account Owners may include parents, grandparents or friends of the Beneficiary, and may also include the Beneficiary; or
- A trust, corporation (including an IRC Section 501(c)(3) organization) or other types of entities with a valid TIN, a custodian under Mississippi Uniform Transfers to Minors Act or similar provisions adopted by another state ("**UGMA/UTMA**") with a valid Social Security Number or TIN, or a state or local government agency which meets the federal and state legal requirements governing the MACS Program.

Accounts opened by entities, Section 501(c)(3) organizations, trusts and custodians are subject to additional restrictions and will be required to provide documentation evidencing the legal status of the entity and the authorization of the representative to open an Account and to conduct transactions on the Account, as set forth on the applicable Direct Plan Form. UGMA/UTMA custodians are also subject to certain limitations on their ability to make changes to, and transfers to and from, such Accounts. Certain of these restrictions and limitations are set forth in the Participation Agreement. UGMA/UTMA custodians and trust representatives should consult a tax advisor about the tax consequences of opening and holding an Account in the Direct Plan, as well as legal counsel regarding their rights and responsibilities as custodians and representatives.

Naming Your Beneficiary. To complete the Application, you must name a Beneficiary (unless you are a state or local government or a 501(c)(3) tax exempt organization establishing a scholarship account). Anyone with a valid Social Security Number or TIN who is a U.S. citizen or resident alien can be named a Beneficiary. The Beneficiary does not have to be related to the Account Owner. The Account Owner may also be the Beneficiary of the Account. Each Account may have only one Beneficiary. If you wish to make contributions for more than one Beneficiary, you must complete a separate Application and open a separate Account for each Beneficiary. You may establish only one account for a Beneficiary in the Direct Plan.

Changing Your Beneficiary. After you open an Account, you may change your Beneficiary by completing the applicable Direct Plan Form; however, you will not be permitted to change your Beneficiary to someone for whom you have already established an account in the Direct Plan. In addition, you may not change the Beneficiary of an UGMA/UTMA account. See "Tax Information" for information concerning income, gift, estate and generation-skipping tax consequences of changing the Beneficiary.

Choosing Investment Options. The Board has established multiple Investment Options for the Direct Plan. To complete your Application, you must select the Investment Option(s) in which you want your contributions to be invested. You may select any one or a combination of the Investment Options per Account, subject to certain minimum contribution limits per Investment Option. See "Investment Options" for summaries of the Investment Options offered under the Direct Plan.

Changing Investment Options. After you open an Account, you may revise your initial Investment Option election(s) by: (1) adding new Investment Options; (2) stopping contributions to an Investment Option; or (3) increasing or decreasing future contributions to an Investment Option. You may also transfer funds currently invested, subject to certain restrictions, to another Investment Option. See "Transferring Funds" for more information.

Naming a Contingent Account Owner. By completing the appropriate section of the Application, an individual Account Owner may name a Contingent Account Owner to become the owner of the Account in the event of the Account Owner's death. If you did not designate a Contingent Account Owner when you established your Account or you wish to change your designation, you may do so by completing the applicable Direct Plan Form. Entity Account Owners and UGMA/UTMA custodians may not designate a Contingent Account Owner. You should consult with a qualified advisor regarding the potential legal and tax consequences for your Account.

Changing Account Ownership. You may change ownership of your Account to another individual or entity that is eligible to be an Account Owner by submitting the applicable Direct Plan Form. When you transfer ownership of your Account, you are not required to change the Beneficiary. Custodial Accounts are subject to special limitations on their ability to transfer ownership of the Account. A change in Account ownership may have federal or state tax consequences, and Account Owners are urged to consult their own tax advisors prior to requesting any such change. If a change of Account ownership is required by order of a court of competent jurisdiction directing such change or by an affidavit or declaration that is recognized under applicable law as requiring transfer of ownership upon death without a court order, such change of Account ownership will not be effective until the Direct Plan receives the court order, affidavit or declaration requiring such change and the change is registered in the records of the Direct Plan, unless otherwise required by law.

A transfer of the ownership of an Account will be effective only if the assignment: (1) is irrevocable; (2) transfers all ownership, reversionary rights, and powers of appointment (i.e., power to change designated Beneficiaries and to request withdrawals from the Account); and (3) is submitted to the Direct Plan in writing. Generally, as set forth on the applicable Direct Plan Form, the transfer will result in a 30-day hold on withdrawals from the Account.

Contributing to Your Account

Who Can Contribute. Anyone (including your friends and family) may make a contribution to your Account. However, any contribution to an Account may have gift or other tax consequences to the contributor or the Account Owner. A person, other than the Account Owner, who contributes to an Account, will not retain any rights with respect to such contribution — for example, only the Account Owner may give directions regarding investments in Investment Options or withdrawals from an Account.

Minimum Contributions. The minimum initial and subsequent contribution to an Account is $25 to each Investment Option except for contributions made via payroll deduction where the minimum is $15 per Investment Option per pay period.

How You Can Contribute to Your Account. Contributions to an Account may be made using the following methods: (1) by check, subject to the limitations described below; (2) through the automatic contribution plan; (3) by payroll deduction (if your employer provides for it and you complete a payroll deduction form); and (4) by electronic funds transfer (including electronic purchase option described below). Contributions of any type by methods not mentioned here will not be permitted.

Checks should be made payable to the "Mississippi Affordable College Savings Program." Contributions by check must be drawn on a banking institution located in the United States in U.S. dollars. Personal checks, bank drafts, teller's checks and checks issued by a financial institution or brokerage firm payable to the Account Owner and endorsed over to the Direct Plan by the Account Owner are permitted, as are third-party personal checks up to $10,000 that are endorsed over to the Direct Plan. The Direct Plan does not permit contributions by starter checks, traveler's checks, credit card convenience checks, cashier's checks, or money orders.

If you contribute using the automatic contribution plan, you may stop your participation in the automatic contribution plan, or stop or change the timing and amount of your contributions to any Investment Option by following the instructions on the appropriate Direct Plan Form, by calling the Direct Plan or by making the change on the Direct Plan website.

If you contribute via payroll deduction, you can change the amount of your contributions, stop payroll deduction or reallocate future contributions among Investment Options or Accounts by following the instructions on the applicable Direct Plan Form. You may also need to contact your employer to make changes to your payroll deduction instructions.

The electronic purchase option enables you to make contributions through the secure, password-protected section of the Direct Plan website, by telephone with a customer service representative, or through the automated telephone system. By providing banking information to the Direct Plan, the Direct Plan will automatically enroll you in the electronic purchase option. You may opt out of that option on your Application or by completing and submitting the appropriate Direct Plan Form.

Maximum Account Balance Limit. The maximum Account balance limit, which is set by the Board (the "**Maximum Account Balance Limit**"), is currently $235,000. Contributions will be rejected and returned to the extent that they cause the aggregate market value of all accounts in the MACS Program and the Prepaid Program for the same Beneficiary to exceed the Maximum Account Balance Limit. Accounts that have reached the Maximum Account Balance Limit may continue to accrue earnings.

Transferring Funds

You may make the following transfers:

- Transfers, subject to certain limits, among Investment Options (see "Getting Started/Changes to Your Account" above); and
- Rollovers.

Certain of these transfers may be subject to different federal and state tax consequences. See "Withdrawals" and "Tax Information" for additional information.

You may transfer all or a portion of the funds already in your Account to different Investment Options within the Direct Plan once per calendar year for the same Beneficiary or when you change the Beneficiary of your Account to a Member of the Family of the Beneficiary. If you have an Account in the Direct Plan and an account in the Advisor Plan for the same Beneficiary, a transfer of funds among investment options in either plan counts as your once per year transfer as does a transfer from investment options in one plan within the MACS Program to investment options in the other plan for the same Beneficiary.

A Rollover ("**Rollover**") is a transfer of funds by any of the following methods:

Rollovers into the Direct Plan

- a direct transfer from an account in another qualified tuition program to an Account for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- a withdrawal of funds from an account in another qualified tuition program, followed within 60 days of that withdrawal by a contribution of those funds to an Account for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

Rollovers out of the Direct Plan

- a direct transfer from your Account to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- a withdrawal of funds from your Account, followed within 60 days of that withdrawal by a contribution of those funds to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

Intra-MACS Program Rollovers

- a direct transfer from an account in either plan in the MACS Program for a Beneficiary to an account in either plan in the MACS Program for a person who is a Member of the Family of that Beneficiary: or
- a withdrawal of funds from an account in either plan in the MACS Program for a Beneficiary, followed within 60 days of that withdrawal by a contribution of those funds to an account in either plan in the MACS Program for a person who is a Member of the Family of that Beneficiary.

Subject to the limitations set forth above, you may transfer funds to either an Account that is owned by you or an Account that is owned by another Account Owner. A transfer of funds from your Account to an Account that is owned by another Account Owner may have federal or state tax consequences, and Account Owners are urged to consult their own tax advisors prior to requesting any such transfer. If a transfer of funds into the MACS Program, together with the value of any prepaid contracts in the Prepaid Program, causes the aggregate market value of all accounts in the MACS Program for the same Beneficiary to exceed the Maximum Account Balance Limit, the excess amount will be rejected and returned.

If you are transferring funds from another qualified tuition program to an Account in the Direct Plan, the program from which you are transferring funds may restrict or prohibit such transfer or impose charges, so you should investigate this change thoroughly before requesting such a transfer.

Unit Value

Contributions to your Account purchase Units of the Investment Option(s) you select (other than the Guaranteed Option). The Direct Plan will credit to your Account transactions (e.g., contributions, withdrawals, and transfers) at the Unit value of the applicable Investment Option determined on the day the Account transaction request is received in good order if it is received before the close of regular trading (usually 4:00 p.m., Eastern time) on the New York Stock Exchange ("**NYSE**"). Account transaction requests received after the close of regular trading or on a day when the NYSE is not open will be credited to your Account by the Direct Plan at the Unit value determined on the next day of regular trading on the NYSE. The Direct Plan will not process Account transaction requests on holidays or other days when the NYSE is closed.

The value of a Unit in each Investment Option other than the Guaranteed Option (for purposes of this discussion, each age band ("**Age Band**") in the Managed Allocation Option is considered a separate Investment Option) is computed by dividing (a) the Investment Option's assets minus its liabilities by (b) the number of outstanding Units of such Investment Option.

The value of the portion of your Account that is invested in the Guaranteed Option is equal to (a) the amount of your contributions to this Investment Option; plus (b) interest credited on a daily basis at the annual rate then in effect; plus (c) any additional interest that may be credited; less (d) fees, if any; less (e) the amount of any withdrawals you make from this Investment Option.

Use of Your Account

Closing Your Account. You may close your Account at any time by completing the applicable Direct Plan Form. In certain circumstances, the Board may cancel your Participation Agreement which will close your Account. If your Account is closed, the remaining balance of your Account will be distributed to you and may be subject to federal and any applicable state income tax.

No Pledging of Account Assets. Neither you nor your Beneficiary may use any part of any Account or other interest in the Direct Plan as security for a loan.

Bankruptcy and Related Matters. The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 expressly excludes from an individual debtor's bankruptcy estate (and, therefore, will not be available for distribution to such individual's creditors), certain funds paid or contributed by such individual to an Account. The bankruptcy protection for these types of Accounts, however, is limited. To be protected, the Beneficiary of the Account must be a child, stepchild, grandchild or step-grandchild of such individual during the year of such contribution, and the funds must have been contributed at least 365 days prior to a bankruptcy filing. The bankruptcy protection also imposes a cap on the amount of funds that may be excluded from such individual's bankruptcy estate. The maximum amount entitled to the bankruptcy exclusion is $5,850 for payments or contributions made by such individual to the Account and all other accounts in the MACS Program and the Prepaid Program for the same Beneficiary during the period between 365 and 720 days prior to the bankruptcy filing. This information is not meant to be individual advice, and Account Owners should consult with their own advisors concerning their individual circumstances.

Direct Plan Fees

The following table describes the Direct Plan's current fees. The Board reserves the right to change the current fees, or to impose new or additional fees, or new expenses, charges or penalties in the future.

For purposes of this section, each of the Age Bands in the Managed Allocation Option is considered a separate Investment Option.

Fee Table

Investment Option	ANNUAL ASSET-BASED FEES Direct Plan Manager Fee (1)(2)	Estimated Underlying Mutual Fund Expenses (3)	State Fee	Total Annual Asset-Based Fees (4)
Managed Allocation Option				
Age Band 0 - 4 Years	0.50%	0.15%	None	0.65%
Age Band 5 - 8 Years	0.50%	0.15%	None	0.65%
Age Band 9 - 10 Years	0.50 %	0.15%	None	0.65%
Age Band 11 - 12 Years	0.50 %	0.16%	None	0.66%
Age Band 13 - 14 Years	0.50 %	0.16%	None	0.66%
Age Band 15 Years	0.50 %	0.16%	None	0.66%
Age Band 16 Years	0.50 %	0.18%	None	0.68%
Age Band 17 Years	0.50 %	0.21%	None	0.71%
Age Band 18 Years and over	0.50 %	0.22%	None	0.72%
Diversified Equity Option	0.50 %	0.22%	None	0.72%
Fixed Income Option	0.50 %	0.19%	None	0.69%
Guaranteed Option (5)	None	None	None	None

(1) The Direct Plan Manager Fee is the only fee deducted from Direct Plan assets. Although the Direct Plan Manager Fee is not deducted from your Account, when you invest in the Direct Plan you indirectly bear a pro rata portion of the Direct Plan Manager Fee because, when this fee is deducted from Direct Plan assets, the value of the Units is reduced.

(2) For its services as Direct Plan Manager, each Investment Option (with the exception of the Guaranteed Option) pays the Direct Plan Manager Fee to TFI at an annual rate of 0.50% (50 basis points) of the average daily net assets of the Investment Option. This 0.50% Direct Plan Manager Fee applies on total assets in the Direct Plan up to $250 million. The Direct Plan Manager Fee will be reduced to 0.45% (45 basis points) if and when total assets in the Direct Plan become equal to or greater than $250 million for a period of at least 90 consecutive days. The Direct Plan Manager Fee will revert to 0.50%, however, if and when total assets in the Direct Plan decrease to below $250 million for a period of at least 90 consecutive days. The Direct Plan Manager Fee is subject to further reductions if total assets in the Direct Plan reach certain levels.

(3) For each Investment Option (other than the Guaranteed Option), the figure in this column is based on a weighted average of the expenses of each Underlying Fund's expense ratio as reported in the Underlying Fund's most recent prospectus available prior to the date of this Disclosure Booklet, in accordance with the Investment Option's allocation among its Underlying Funds. Each Investment Option (other than the Guaranteed

Option) indirectly bears its pro rata portion of the Underlying Funds' expenses because, when such expenses are deducted from an Underlying Fund's assets, the value of the Underlying Fund's shares is reduced.

(4) The Total Annual Asset-Based Fees equal the Estimated Underlying Fund Expenses plus the Direct Plan Manager Fee. You should refer to the Investment Cost Example below for the total assumed investment cost over 1-, 3-, 5- and 10-year periods.

(5) The Guaranteed Option does not pay a Direct Plan Manager Fee. TIAA-CREF Life Insurance Company ("**TIAA-CREF Life**"), the issuer of the Funding Agreement underlying this Investment Option, makes payments to TFI. TIAA-CREF Life takes this payment, along with many other factors, into consideration when determining the interest rate(s) credited to the Funding Agreement.

Investment Cost Example. The example in the following table is intended to help you compare the cost of investing in the different Investment Options over various periods of time. This example assumes that:

- You invest $10,000 in an Investment Option for the time periods shown below.
- Your investment has a 5% compounded return each year, except for the Guaranteed Option.
- You withdraw the assets from the Investment Option at the end of the specified periods for Qualified Higher Education Expenses.
- Total annual asset-based fees remain the same as those shown in the Fee Table above.
- The example does not consider the impact of any potential state or federal taxes on the withdrawal.

Although your actual costs may be higher or lower, based on the above assumptions, your costs would be:

INVESTMENT OPTIONS	APPROXIMATE COST OF $10,000 INVESTMENT			
	One Year	Three Years	Five Years	Ten Years
Managed Allocation Option				
Age Band 0 - 4 Years	$67	$209	$363	$812
Age Band 5 - 8 Years	$67	$209	$363	$812
Age Band 9 - 10 Years	$67	$209	$363	$812
Age Band 11 - 12 Years	$68	$212	$369	$825
Age Band 13 - 14 Years	$68	$212	$369	$825
Age Band 15 Years	$68	$212	$369	$825
Age Band 16 Years	$70	$218	$380	$849
Age Band 17 Years	$73	$228	$396	$885
Age Band 18 Years and over	$74	$231	$402	$897

INVESTMENT OPTIONS	APPROXIMATE COST OF $10,000 INVESTMENT			
	One Year	Three Years	Five Years	Ten Years
Diversified Equity Option	$74	$231	$402	$897
Fixed Income Option	$71	$221	$385	$861
Guaranteed Option	$0	$0	$0	$0

Investment Options

Choosing Your Investment Options and How the Investment Options Are Invested. This section describes the Investment Options offered by the Direct Plan, the risks associated with investing in each Investment Option and the type of investor for whom each Investment Option may be appropriate.

The Investment Options, their underlying investment vehicles and the allocations to those underlying investment vehicles are approved by the Board. The Board may add or remove Investment Options and change the investment allocations of, or the underlying investment vehicles of, an Investment Option at any time. You may invest your contributions in a single Investment Option or you may choose to invest your contributions in multiple Investment Options, subject to contribution minimums. You should consider a periodic assessment of your Investment Option selections to determine whether such selections are consistent with your current investment time horizon, risk tolerance, and investment objectives. Although Account Owners may select the Investment Options in which to invest, neither Account Owners nor Beneficiaries may direct the investment of any Investment Options. See "Getting Started/Changes to Your Account" and "Transferring Funds" above for information about changing Investment Option elections.

Summaries of the underlying investments of the Investment Options appear in Appendix I to this Disclosure Booklet. Please note that your investment in an Investment Option is not an investment in any of the Underlying Funds.

Managed Allocation Option (Risk level shifts from Aggressive to Conservative as the Beneficiary ages)

Effective April 4, 2012, the Age Band structure of this Investment Option has been changed from a six Age Band structure to a nine Age Band structure. A Beneficiary will be placed in one of the nine Age Bands based on the Beneficiary's age.

This Investment Option seeks to match the investment objective and level of risk to the investment horizon by taking into account the Beneficiary's current age and the number of years before the Beneficiary turns 18 and is expected to enter college. Depending on the Beneficiary's age, contributions to this Investment Option will be placed in one of nine Age Bands, each of which has a different investment objective and investment strategy. The Age Bands for younger Beneficiaries seek a favorable long-term return by investing in Underlying Funds that invest primarily in equity securities and real estate-related securities, which have a higher level of risk, but greater potential for returns than more conservative investments. As a Beneficiary nears college age, the Age Bands allocate less to Underlying Funds that invest in equity securities and allocate more heavily to Underlying Funds that invest in fixed-income securities and money market securities to preserve capital.

As the Beneficiary ages, assets in your Account invested in this Investment Option are moved from one Age Band to the next on the first "Rolling Date" following the Beneficiary's fifth, ninth, eleventh, thirteenth, fifteenth, sixteenth, seventeenth, and eighteenth birthdays. The Rolling Dates are March 20, June 20, September 20 and December 20 (or the first business day thereafter).

Allocations for the Managed Allocation Option

The following table provides the percentage of assets of each Age Band within the Managed Allocation Option allocated to each Underlying Fund. Contributions received on or after the date of this Disclosure Booklet will be allocated accordingly.

Age Bands	Large-Cap Growth Index Fund	Large-Cap Value Index Fund	Small-Cap Blend Index Fund	Real Estate Securities Fund	International Equity Index Fund	Emerging Markets Equity Index Fund	Bond Index Fund	Inflation-Linked Bond Fund	Short-Term Bond Fund	Money Market Fund
0 - 4 Years	22.08%	22.08%	3.84%	8.00%	20.00%	4.00%	15.00%	5.00%	0.00%	0.00%
5 - 8 Years	19.32%	19.32%	3.36%	7.00%	17.50%	3.50%	22.50%	7.50%	0.00%	0.00%
9 - 10 Years	16.56%	16.56%	2.88%	6.00%	15.00%	3.00%	30.00%	10.00%	0.00%	0.00%
11 - 12 Years	13.80%	13.80%	2.40%	5.00%	12.50%	2.50%	37.50%	12.50%	0.00%	0.00%
13 - 14 Years	11.04%	11.04%	1.92%	4.00%	10.00%	2.00%	45.00%	15.00%	0.00%	0.00%
15 Years	8.28%	8.28%	1.44%	3.00%	7.50%	1.50%	52.50%	17.50%	0.00%	0.00%
16 Years	5.52%	5.52%	0.96%	2.00%	5.00%	1.00%	52.50%	17.50%	10.00%	0.00%
17 Years	2.76%	2.76%	0.48%	1.00%	2.50%	0.50%	45.00%	15.00%	30.00%	0.00%
18 Years and over	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	37.50%	12.50%	40.00%	10.00%

Risk-Based Investment Options

These Investment Options are intended for Account Owners who prefer to select an Investment Option with a consistent risk level rather than a risk level that changes as the Beneficiary ages. Each of these Investment Options is allocated to multiple Underlying Funds or to a Funding Agreement and has a different investment objective and investment strategy, which are described in more detail below.

Diversified Equity Option (Risk level – Aggressive)

Prior to April 4, 2012, this Investment Option was called the "100% Equity Option." On April 4, 2012, the name of this Investment Option changed to the "Diversified Equity Option." This Investment Option seeks to provide a favorable long-term total return, mainly from capital appreciation, by investing in equity securities and real estate-related securities. Because of the high exposure to domestic and foreign equities, and the corresponding high degree of risk, this Investment Option may be appropriate for you if you already have substantial college savings from less volatile investments (e.g., fixed-income investments), if you have a long investment horizon and you can tolerate a higher level of risk, or for use in conjunction with other Investment Options in the Direct Plan. Effective as of April 4, 2012, this Investment Option will increase allocations to Underlying Funds that focus on investment in the equity securities of emerging market issuers or in instruments with economic characteristics similar to emerging market securities.

Allocations for the Diversified Equity Option

The following table provides the percentage of assets of the Diversified Equity Option allocated to each Underlying Fund. Contributions received on or after the date of this Disclosure Booklet will be allocated accordingly.

Large-Cap Growth Index Fund	Large-Cap Value Index Fund	Small-Cap Equity Fund	Real Estate Securities Fund	International Equity Fund	International Equity Index Fund	Emerging Markets Equity Index Fund
27.60%	27.60%	4.80%	10.00%	13.33%	11.67%	5.00%

Fixed Income Option (Risk level – Moderate)

This Investment Option seeks to provide preservation of capital along with a moderate rate of return by investing primarily in Underlying Funds that invest in a diversified mix of fixed-income investments. This Investment Option is invested primarily in an Underlying Fund that is an index fund. This Investment Option may be appropriate for you if you have a medium-term investment horizon and can tolerate a moderate level of risk.

Allocations for the Fixed Income Option

The following table provides the percentage of assets of the Fixed Income Option allocated to each Underlying Fund. Contributions received on or after the date of this Disclosure Booklet will be allocated accordingly.

Bond Index Fund	Inflation-Linked Bond Fund	High-Yield Fund
70.00%	20.00%	10.00%

Guaranteed Option (Risk level – Conservative)

This Investment Option seeks to preserve capital and provide a stable return. It may be appropriate for you if you have a short investment horizon and are looking for a conservative investment with a low level of risk. The assets in this Investment Option are allocated to a Funding Agreement issued by TIAA-CREF Life to the Board on behalf of the Trust (the "**Policyholder**"). The Funding Agreement provides for a guaranteed rate of interest to the Policyholder and allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life. The interest rate guarantee is made to the Policyholder only, and not to Account Owners or Beneficiaries. The rate of any additional interest is declared in advance for a period of up to 12 months and is not guaranteed for any future periods.

For more information on the Funding Agreement, please see "Summary of the TIAA-CREF Life Insurance Company Funding Agreement" in Appendix I.

Past Performance

The table below shows the returns of certain Investment Options over the time period(s) indicated, calculated from the day on which funds were first invested in each Investment Option (the "**Inception Date**"). No performance data is included for the Fixed Income Option because that Investment Option is new and has no performance history. No performance data is included for the Managed Allocation

Option because performance for that Investment Option is calculated for each Age Band and, since the Age Band structure has changed, the Age Bands are new and have no performance history.

The table below compares the returns of the Investment Option (except for the returns of the Guaranteed Option) to the returns of a customized index benchmark ("**Blended Index**"). A Blended Index combines the benchmarks for each of the Underlying Funds held by an Investment Option during the relevant time period weighted according to the allocations to those Underlying Funds and adjusted to reflect any changes in the allocations and the benchmarks during the relevant time period.

The performance data shown below for the Blended Index does not reflect deductions of any fees or expenses. The performance data shown below for each Investment Option, however, is quoted net of all fees and expenses. All figures in the tables represent the average annual compound rate of return.

Total returns and the principal value of investments in your Account will fluctuate based on the investment performance of the Underlying Funds in which the Investment Options (other than the Guaranteed Option) have been invested, so your investment may be worth more or less than its original value when you withdraw your money. Past performance is not necessarily indicative of future results. Performance may be substantially affected over time by changes in the allocations and in the underlying investments.

For the most current performance information, which is updated monthly, visit the Direct Plan's website or call the Direct Plan.

Risk-Based Investment Options

Average Annual Total Returns
For The Period Ended February 29, 2012

Option	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
Diversified Equity Option (previously named the 100% Equity Option)	-0.14%	25.61%	-0.51%	4.50%	3.26%	April 4, 2001
Blended Index	2.11%	26.78%	0.54%	5.68%	5.06%	
Guaranteed Option	3.01%	3.08%	3.24%	N/A	3.22%	April 1, 2003

Risks of Investing in the Direct Plan

Prospective Account Owners should carefully consider, along with other matters referred to in this Disclosure Booklet, the following risks of investing in the Direct Plan.

Investment Risks. Investments in the Direct Plan are subject to certain investment risks including market, interest rate and other risks. The value of your Account may increase or decrease over time based on the performance of the Investment Options you have selected. There is a risk that you could lose part or all of the value of your Account.

No Guarantee of Attendance or Expense. There is no guarantee that a Beneficiary will be accepted for admission to any institution of higher education, including an Eligible Educational Institution, or if admitted, will graduate or receive a degree, or otherwise be permitted to continue to attend an Eligible Educational Institution. Increases in Qualified Higher Education Expenses could exceed the rate of return of the Investment Options over the same time period. Even if the combination of all accounts in the MACS Program and the Prepaid Program held for a Beneficiary reaches the Maximum Account Balance Limit, those funds may not be sufficient to pay all Qualified Higher Education Expenses of the Beneficiary.

Changes in Law. The Direct Plan is established pursuant to the Statute and Section 529 of the IRC. Changes to Section 529, the Statute, Mississippi tax laws or federal or Mississippi securities laws may affect the continued operation of the Direct Plan as contemplated in this Disclosure Booklet. Congress could also amend Section 529 of the IRC or other federal law in a manner that would materially change or eliminate the federal tax treatment described in this Disclosure Booklet. The State of Mississippi could also make changes to Mississippi tax law that could materially affect the state tax treatment of the Direct Plan or make changes to the Statute that could terminate or otherwise adversely affect the Direct Plan. Certain proposed federal tax regulations that have been issued under Section 529 of the IRC provide guidance, but only for the establishment and operation of certain aspects of the Direct Plan. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences or requirements with respect to the Direct Plan or contributions to, withdrawals from or other transactions related to Accounts.

Risks Related to Liquidity. Investment in the Direct Plan involves the risk of limited liquidity because the circumstances under which funds may be withdrawn from your Account without incurring adverse tax consequences, are limited. Additionally, in certain circumstances, your ability to withdraw funds may be restricted for up to 30 days. See "Withdrawals" and "Tax Information" below and "Getting Started/Changes to Your Account" above for further information about these restrictions. Contributions must be on deposit for at least 10 days before being withdrawn.

Limitations on Transfers. You may transfer all or a portion of the funds already in your Account to different Investment Options within the Direct Plan once per calendar year for the same Beneficiary or when you change the Beneficiary of your Account to a Member of the Family of the Beneficiary. If you have an Account in the Direct Plan and an account in the Advisor Plan for the same Beneficiary, a transfer of funds among investment options in either plan counts as your once per year transfer as does a transfer from investment options in one plan within the MACS Program to investment options in the other plan for the same Beneficiary. You may not direct the investment of any Investment Option or of any Underlying Fund. In addition, no part of an Account may be assigned, transferred or pledged as security for a loan or otherwise, except for transfers described above under "Transferring Funds" and "Changing Account Ownership" in "Getting Started/Changes to Your Account."

Not an Investment in Mutual Funds or Registered Securities. Although certain Investment Options will be invested in mutual funds, neither the Direct Plan nor any of the Direct Plan's Investment Options is a mutual fund. An investment in the Direct Plan is considered an investment in "municipal fund securities" that are issued and offered by the Direct Plan. These securities are not registered with the U.S. Securities and Exchange Commission ("**SEC**") or any state, nor are the Direct Plan or any of the Direct Plan's Investment Options registered as investment companies with the SEC or any state.

Potential Change of the Direct Plan Manager and Other Direct Plan Changes. The Board may change the Direct Plan Manager in the future. If this happens (or even if it does not), there is no assurance that you would not experience a material change to the Direct Plan, including the fees charged and the Investment Options available. If TFI ceases to be the Direct Plan Manager, you may be automatically transferred to new investment options or you may have to open a new Account in the Direct Plan with the successor plan manager in order to make future contributions on behalf of your Beneficiary. There is no guarantee that investment options offered by the Direct Plan in the future would correspond exactly with those described in this Disclosure Booklet. There is also no guarantee that such a transfer will not have tax implications. Transactions associated with a change in Direct Plan Manager, as described above, could result in the assets of the Direct Plan being temporarily held in cash. Such transactions could also result in the incurrence of additional expenses, or a negative impact on the performance of one or more investment options.

The Board may add or remove Investment Options and change the investment allocations of, or the investments held by, an Investment Option at any time. In certain circumstances, the Board may cancel your Participation Agreement which would close your Account.

Potential Impact on Financial Aid and Medicaid Eligibility. The eligibility of your Beneficiary for financial aid will depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in school, as well as on the policies of the governmental agencies, school or private organizations to which the Beneficiary or the Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the Beneficiary, it most likely will have some effect on the Beneficiary's eligibility. However, because these policies vary at different institutions and can change over time, the Direct Plan cannot say with certainty how the federal financial aid program, state or local government, private organizations or the school to which your Beneficiary applies, will treat your Account. Notwithstanding any Mississippi law to the contrary, no monies on deposit in either the MACS Program or the Prepaid Program will be considered an asset of the parent, guardian or student for purposes of determining an individual's eligibility for a need-based grant, need-based scholarship or need-based work opportunity offered or administered by any Mississippi agency except as may be required by the funding source of such financial aid.

The eligibility of an Account Owner for Medicaid assistance could be impacted by the Account Owner's ownership of a college savings account in a qualified tuition program. Although the result is not clear and may vary from state to state, it is possible that the assets in an Account Owner's Account may be considered available assets of the Account Owner for determining Medicaid assistance eligibility. Medicaid laws and regulations may change and Account Owners should consult their own financial and/or tax advisors for advice on their own particular situation.

Suitability; Investment Alternatives. The Board, the Direct Plan and the Direct Plan Manager make no representations regarding the suitability of any Investment Options for any particular investor or the appropriateness of the Direct Plan as a college savings investment vehicle. Other types of investments may be more appropriate depending upon your residence, financial condition, tax situation, risk tolerance or the age of the Beneficiary. Various qualified tuition programs other than the Direct Plan, including programs designed to provide prepaid tuition, are currently available, as are other investment alternatives. The investments, fees, expenses, eligibility requirements, tax and other consequences and features of these alternatives may differ from those of the Direct Plan. Before investing in the Direct Plan, you may wish to consider these alternatives and should consult a tax or investment advisor.

No Insurance or Guarantee. THE TRUST, THE MACS PROGRAM, THE DIRECT PLAN, THE BOARD, EACH BOARD MEMBER AND THE STATE OF MISSISSIPPI DO NOT INSURE ANY ACCOUNT OR GUARANTEE ANY RATE OF RETURN OR ANY INTEREST RATE ON ANY CONTRIBUTION AND ARE NOT LIABLE FOR ANY LOSS INCURRED BY ANY PERSON AS A RESULT OF PARTICIPATING IN THE DIRECT PLAN. Further, amounts in your Account are not insured or guaranteed by the Federal Deposit Insurance Corporation, any federal government agency, the Direct Plan Manager or its affiliates.

Withdrawals

Only you, as the Account Owner, may direct withdrawals from your Account. To request a withdrawal, you must complete the appropriate Direct Plan Form or make a request online through the Direct Plan's website. Generally, you may direct the Direct Plan to pay the proceeds of the withdrawal to you or to an Eligible Educational Institution on behalf of the Beneficiary. However, if you make a request online through the Direct Plan's website, the proceeds may only be made payable to the Account Owner's bank of record or to the Beneficiary's Eligible Educational Institution. If you make a request for a Non-Qualified Withdrawal, the proceeds may only be made payable to the Account Owner.

The Unit value used to calculate the value of a withdrawal from your Account will be the one next computed after a completed withdrawal request is received in good order by the Direct Plan. See "Unit Value" above for more information. If your Account is invested in more than one Investment Option, you must select the Investment Option from which your funds are to be withdrawn. You will not be able to withdraw a contribution until 10 days after receipt of that contribution by the Direct Plan. Generally, if you make a change to your mailing address or to your banking information on file, or if you transfer the Account to a new Account Owner, no withdrawals can be made from the Account for 30 days after the

Direct Plan has received the request as set forth on the applicable Direct Plan Form. Additional requirements may apply to withdrawal requests of $100,000 or more.

Each withdrawal you make from your Account will fall into one of the following categories:

(1) a Qualified Withdrawal;

(2) a Taxable Withdrawal;

(3) a Rollover; or

(4) a Non-Qualified Withdrawal.

Qualified Withdrawals. A Qualified Withdrawal is a withdrawal from your Account that is used to pay for Qualified Higher Education Expenses of the Beneficiary at an Eligible Educational Institution. By law, such expenses are defined generally to include tuition, certain room and board expenses, fees, books, supplies and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution. Qualified Higher Education Expenses include certain additional enrollment and attendance costs of special needs beneficiaries.

Unlike other expenses, the cost of room and board may be treated as Qualified Higher Education Expenses only if it is incurred during an academic period during which the Beneficiary is enrolled or accepted for enrollment in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution, and during which the Beneficiary is enrolled at least half-time. (Half-time is defined as half of a full-time academic workload for the course of study the Beneficiary is pursuing based on the standard at the Beneficiary's Eligible Educational Institution.) The amount of room and board expenses that may be treated as a Qualified Higher Education Expense is generally limited to the room and board allowance applicable to a student that is included by the Eligible Educational Institution in its "cost of attendance" for purposes of determining eligibility for federal education assistance for that year. For students living in housing owned or operated by the Eligible Educational Institution, if the actual invoice amount charged by the Eligible Educational Institution for room and board is higher than the "cost of attendance" figure, then the actual invoice amount may be treated as qualified room and board costs.

No portion of a Qualified Withdrawal is subject to federal taxation or the Additional Tax.

The Account Owner and the Beneficiary have the responsibility, under federal and Mississippi income tax law, to substantiate their treatment of contributions to, withdrawals from, and other transactions involving an Account. They should retain receipts, invoices and other documents and information adequate to substantiate their treatment of such transactions and the treatment of educational expenses as Qualified Higher Education Expenses.

Taxable Withdrawals. A taxable withdrawal (a "**Taxable Withdrawal**") is any withdrawal from your Account that is not a Qualified Withdrawal, but that is: (1) paid to a beneficiary of, or the estate of, the Beneficiary on or after the Beneficiary's death or attributable to the permanent disability of the Beneficiary; (2) made on account of the receipt by the Beneficiary of a scholarship award or veterans' or other nontaxable educational assistance (other than gifts or inheritances), but only to the extent of such scholarship or assistance; (3) made on account of the Beneficiary's attendance at a military academy, but only to the extent of the costs of education attributable to such attendance; or (4) equal to the amount of the Beneficiary's relevant Qualified Higher Education Expenses taken into account in determining the Beneficiary's Hope Scholarship Credit or Lifetime Learning Credit.

The earnings portion of a Taxable Withdrawal is subject to federal taxation, but no portion of a Taxable Withdrawal is subject to the Additional Tax.

Rollovers. A Rollover from an Account includes:

Rollovers out of the Direct Plan

- a direct transfer from your Account to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary; or
- a withdrawal of funds from your Account, followed within 60 days of that withdrawal by a contribution of those funds to an account in another qualified tuition program for (1) the same Beneficiary (provided that you have not made a similar transfer to any qualified tuition program for the benefit of that Beneficiary within the previous 12 months), or (2) a person who is a Member of the Family of that Beneficiary.

Intra-MACS Program Rollovers

- a withdrawal of funds from your account in either plan in the MACS Program for a Beneficiary, followed within 60 days of that withdrawal by a contribution of those funds to an account in either plan in the MACS Program for a person who is a Member of the Family of that Beneficiary.

No portion of a Rollover from an Account is subject to federal taxation (including the Additional Tax).

Non-Qualified Withdrawals. A non-qualified withdrawal (a "**Non-Qualified Withdrawal**") is any withdrawal that does not meet the requirements of being: (1) a Qualified Withdrawal; (2) a Taxable Withdrawal; or (3) a Rollover. The earnings portion of a Non-Qualified Withdrawal is subject to federal income taxation and the Additional Tax.

Information regarding the Mississippi income taxation of withdrawals from an Account may be found in "Tax Information" below. You should consult a qualified tax advisor regarding how both state and federal tax laws may apply to your particular circumstances.

Oversight of the Direct Plan

The primary purpose of the Direct Plan is to encourage timely financial planning for higher education. The Direct Plan was established by the State of Mississippi under Section 529 of the IRC, which allows states and certain other entities to set up education savings plans to enable Account Owners and Beneficiaries to avail themselves of the tax benefits provided for Section 529 programs.

Pursuant to the Statute, the Board administers the Direct Plan and all purposes, powers and duties of the Direct Plan are vested in and exercised by the Board. The Direct Plan assets are held in the Trust, a special fund in the State Treasury. The Statute further provides that the Board may contract for necessary goods and services, employ necessary personnel and engage the services of consultants and other qualified persons and entities for services necessary for the administration of the Direct Plan, and for the investment of assets of the Direct Plan, including but not limited to, consulting, marketing, technical, and administrative personnel or services

The Direct Plan Manager

The Direct Plan Manager is TFI, a wholly owned, indirect subsidiary of Teachers Insurance and Annuity Association of America ("**TIAA**"). TIAA, together with its companion organization, the College Retirement Equities Fund ("**CREF**"), forms one of America's leading financial services organizations and one of the world's largest pension systems, based on assets under management.

Management Agreement. TFI and the Board have entered into a contract (the "**Management Agreement**") dated as of September 21, 2011 under which TFI and subcontractors approved by the

Board provide investment recommendations, administration, recordkeeping, reporting, marketing and other services to the Direct Plan. References to TFI or the Direct Plan Manager in this Disclosure Booklet include, where applicable, any entity to which TFI subcontracts or delegates its duties as Direct Plan Manager.

TFI's Term as Direct Plan Manager. Under the Management Agreement, TFI will serve for a five-year term ending September 21, 2016. The Board, as permitted by law, may seek to extend the term of the Management Agreement for an additional five-year term. The Management Agreement is subject to the possibility of earlier termination at the discretion of the Board or TFI under specified circumstances.

Reporting

Account Statements. You will receive quarterly and annual Account statements indicating:

- contributions to each Investment Option during the period and total contributions year-to-date;
- withdrawals from each selected Investment Option from your Account made during the period;
- the total value of your Account at the beginning and end of the period; and
- any earnings on your Account for the period.

Tax Reports. Federal law requires that the Direct Plan issue IRS tax form 1099-Q to distributees for the taxable year in which a withdrawal occurred. Under federal law, a separate report will be filed by the Direct Plan with the IRS reporting withdrawals from an Account to each distributee reflecting, among other information, the earnings portion withdrawn during the calendar year to which the report pertains. By January 31 of the following year, each distributee (which is deemed to be the Account Owner unless the withdrawal is paid directly to the Beneficiary or to an Eligible Educational Institution on behalf of the Beneficiary) will receive a copy of the report or a corresponding statement.

Financial Statements. Each year, annual financial statements will be prepared for the Direct Plan. A nationally recognized independent certified public accounting firm will audit the annual financial statements in accordance with generally accepted accounting principles. The complete audited financial statements are available to Account Owners on request by calling the Direct Plan toll-free at 1-800-486-3670 or by writing to The Mississippi Affordable College Savings Program, PO Box 55037, Boston, MA 02205-5037.

Tax Information

The federal and Mississippi tax rules applicable to the Direct Plan are complex, and some of the rules have not yet been finalized. Their application to any particular person may vary according to facts and circumstances specific to that person. You should consult a qualified tax advisor about how the laws apply to your circumstances.

Federal Income Tax Treatment

IRS Announcement 2008-17

On January 17, 2008, the IRS issued an Advance Notice of Proposed Rulemaking (the "**Notice**"), which details issues on which the IRS intends to issue new regulations under IRC Section 529 (the "**New Regulations**"). As described in the Notice, a principal component of the New Regulations will be an anti-abuse rule intended to deny the favorable federal tax treatment provided by Section 529 to the extent that transactions involving an Account are inconsistent with the education-savings purpose of Section 529 (for example, use of an Account to avoid gift or generation-skipping transfer taxes, as a retirement plan, or for other purposes inconsistent with the intent of Section 529). Although the Notice provides that the New Regulations generally will be prospective in effect, the Notice also states that the anti-abuse rule may be applied retroactively. The following discussion relates to current law and does not further discuss the Notice or the New Regulations.

Contributions

In general, contributions to an Account will not result in taxable income to the Beneficiary. A contributor may not deduct the contribution from income for purposes of determining federal income taxes. If a contribution is made to an Account by a Rollover, the entire contribution will be treated as consisting of earnings unless certain documentation is received by the Direct Plan with respect to the originating Account or qualified tuition program. That documentation generally will be automatically provided to the Direct Plan if the Rollover involves a direct transfer of funds from the originating Account or qualified tuition program.

Withdrawals

The federal income tax treatment of withdrawals from an Account is described in "Withdrawals" above. Only the earnings portion of a withdrawal is ever subject to federal income tax or the Additional Tax. All withdrawals are treated as attributable partially to contributions made to the Account and partially to earnings, if any. The proportion of contributions and earnings for each withdrawal is determined by the Direct Plan based on the relative portions of total earnings and contributions as of the withdrawal date for all accounts with the same Beneficiary and same Account Owner in the MACS Program and the Prepaid Program.

Refunds of Payments of Qualified Higher Education Expenses

If an Eligible Educational Institution refunds any portion of an amount previously withdrawn from an Account and treated as a Qualified Withdrawal, you may be required to treat the amount of the refund as a Non-Qualified Withdrawal or Taxable Withdrawal (depending on the reason for the refund) for purposes of federal income tax. Different treatment may apply if the refund is withdrawn to pay other Qualified Higher Education Expenses of the Beneficiary or to make a qualifying Rollover. The treatment of refunds for federal income tax purposes is uncertain, and you should consult a qualified tax advisor regarding such treatment.

Coordination with Other Income Tax Incentives for Education

In addition to the income tax benefits provided to Account Owners and Beneficiaries under Section 529, benefits are provided by several other provisions of the IRC for education-related investments or expenditures. These include Coverdell Education Savings Accounts ("**Coverdell ESAs**"), Hope Credit/American Opportunity Credit, Lifetime Learning Credits and "qualified United States savings bonds" described in IRC Section 135 ("**qualified U.S. savings bonds**"). Each of these incentives is subject to specific rules and limitations, and there are particular coordination provisions applicable to the interaction of the provisions governing these incentives and Section 529. The treatment of these incentives under Mississippi income tax law may differ from the treatment under federal income tax law.

In general, if certain requirements are satisfied, amounts derived from Coverdell ESAs and qualified U.S. savings bonds may be used to make contributions to an Account without the imposition of federal income taxes under the provisions applicable to those Coverdell ESAs and qualified U.S. savings bonds. However, some or all of the deferred income taxes may be recognized at the time of a subsequent withdrawal from the Account, depending on whether that withdrawal is a Qualified Withdrawal, a Taxable Withdrawal or a Non-Qualified Withdrawal. An Account Owner who intends to make a contribution to an Account from a Coverdell ESA or a qualified U.S. savings bond should consult a qualified tax advisor with respect to the applicable federal and state income tax effects.

Qualified Higher Education Expenses of a Beneficiary may be paid on a tax-free basis (subject to certain limitations) with funds from an Account, a Coverdell ESA established for the benefit of the Beneficiary, or a qualified U.S. savings bond applicable to the Beneficiary. For purposes of determining what portion of a withdrawal from an Account constitutes a Qualified Withdrawal and is therefore exempt from federal income taxes, the following rules generally apply with regard to the interaction of the federal income tax education-incentive provisions under the IRC:

- The amount of a Beneficiary's Qualified Higher Education Expenses in any tax year will be reduced by the aggregate amount: (1) of the Beneficiary's expenses used for such tax year to qualify for the Hope Credit/American Opportunity Credit or Lifetime Learning Credit; and (2) received by the Beneficiary as a result of certain qualified scholarships, allowances or payments (not including amounts derived from the redemption of qualified U.S. savings bonds).

- If the sum of withdrawals from the MACS Program, all other qualified tuition programs and all Coverdell ESAs for the benefit of the Beneficiary, in any tax year exceed the Beneficiary's Qualified Higher Education Expenses for the year (after the reduction described above), then the Beneficiary's Qualified Higher Education Expenses generally must be allocated proportionately among the withdrawals to determine the amount of withdrawals that will be treated as used for Qualified Higher Education Expenses. Any amount of withdrawals from an Account in excess of the Qualified Higher Education Expenses allocated to those withdrawals will not be treated as used for the payment of such expenses and therefore will be treated as either a Taxable Withdrawal or a Non-Qualified Withdrawal, depending on all the facts. Account Owners should consult a qualified tax advisor regarding the interaction under the IRC of the federal income tax education-incentive provisions addressing Account withdrawals.

Substantiation

The Account Owner and the Beneficiary have the responsibility, under federal and Mississippi income tax law, to substantiate their treatment of contributions to, withdrawals from, and other transactions involving an Account. They should retain receipts, invoices and other documents and information adequate to substantiate their treatment of such transactions and the treatment of education expenses as Qualified Higher Education Expenses.

Federal Gift, Estate and Generation-Skipping Transfer Tax Treatment

Contributions to the Direct Plan are generally considered completed gifts for federal tax purposes and, therefore, are potentially subject to federal gift tax. Generally, if a contributor's contributions to an Account or Accounts for a Beneficiary, together with all other gifts by the contributor to the Beneficiary, are less than the current annual exclusion of $13,000 per year ($26,000 for married contributors), no federal gift tax will be imposed on the contributor for gifts to the Beneficiary during that year. This annual exclusion amount is indexed for inflation in $1,000 increments and may therefore increase in future years.

If a contributor's contributions to an Account or Accounts for a Beneficiary in a single year exceed $13,000 ($26,000 for married contributors), the contributor may elect to treat up to $65,000 of the contribution ($130,000 in the case of a consenting married couple or a community property gift) as having been made ratably over a five-year period. (For purposes of determining the amount of gifts made by the contributor to that Beneficiary in the four-year period following the year of contribution, the contributor will have to take into account the ratable portion of the Account contribution allocated to that year.)

In addition, to the extent not previously used, each contributor has a $5,000,000 lifetime exemption that will be applied to gifts in excess of the annual exclusion amounts referred to above. A married couple may elect to split gifts and apply their combined exemption of $10,000,000 to gifts by either of them. Accordingly, while federal gift tax returns are required for gifts in excess of the annual exclusion amounts referred to above (including gifts that the contributor elects to treat as having been made ratably over a five-year period), no federal gift tax will be due until the lifetime exemption has been used. The top gift tax rate is currently 35 percent. A potential contributor should consult with his or her own tax advisor regarding the current lifetime exemptions and the gift tax filing requirements.

Amounts in an Account that are considered completed gifts by the contributor generally will not be included in the contributor's gross estate for federal estate tax purposes. However, if the contributor elects to treat the gifts as having been made over a five-year period and dies before the end of the five-year period, the portion of the contribution allocable to the remaining years in the five-year period (not including the year in which the contributor died) would be includible in computing the contributor's gross estate for federal estate tax purposes. Amounts in an Account at the death of a Beneficiary will be included in the Beneficiary's gross estate for federal estate tax purposes to the extent such amounts are distributed to a beneficiary of, or the estate of, the Beneficiary. Each taxpayer has a $5,000,000 estate tax exemption. The top estate tax rate is currently 35 percent.

A change of the Beneficiary of an Account or a transfer of funds from an Account to an Account for another Beneficiary will potentially be subject to federal gift tax if the new Beneficiary is in a younger generation than the generation of the Beneficiary being replaced or is not a Member of the Family of that Beneficiary. In addition, if the new Beneficiary is in a generation two or more generations younger than the generation of the prior Beneficiary, the transfer may be subject to the generation-skipping transfer tax discussed below. Although the existing Section 529 proposed regulations (published in 1998) provide that these taxes are imposed on the prior Beneficiary and not the Account Owner, the treatment of such transactions under the current provisions of Section 529 (some of which were enacted after 1998) is nonetheless unclear. Account Owners should consult their own tax advisors for guidance when considering a change of Beneficiary or a transfer of funds to another Account. Furthermore, prior to a transfer of ownership of an Account from an existing Account Owner to a new Account Owner, the transferor and transferee Account Owners should consult their tax advisors regarding the potential applicability of income tax, gift tax or generation-skipping transfer tax provisions of the IRC to such transfer.

Because contributions to an Account are treated as completed gifts for federal transfer tax purposes, a contributor may also need to be concerned about the generation-skipping transfer tax. This tax may apply to contributions in excess of the amount that may be elected to be ratably spread over the above-referenced five-year period where the Beneficiary is in a generation more than one generation younger than the generation of the contributor. The application of the generation-skipping transfer tax is very complex, and a potential contributor concerned about application of the tax should consult with his or her own tax advisor.

The Economic Growth and Tax Relief Reconciliation Act of 2001 ("**EGTRRA**") repealed the estate tax and generation-skipping transfer tax (but not the gift tax) for 2010 and provided that the pre-EGTRRA estate and generation-skipping transfer tax rules would be reinstated for 2011. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 amended the estate tax and generation-skipping transfer tax rules for 2011 and 2012. Unless further legislation is enacted, the pre-EGTRRA estate and generation-skipping transfer tax rules will be reinstated in 2013. A potential contributor should consult with a tax advisor regarding applicable federal tax law.

State of Mississippi Income Tax Treatment

The following discussion applies only with respect to Mississippi taxes. Mississippi tax treatment in connection with the Direct Plan applies only to Mississippi taxpayers. You should consult with a qualified tax advisor regarding the application of Mississippi tax provisions to your particular circumstances.

If you or the Beneficiary of your Account reside in another state or have taxable income in another state, it is important for you to note that if that state has established a qualified tuition program under Section 529 of the IRC, that state's program may offer favorable state income tax benefits or other benefits that are only available if you invest in that state's program. Those benefits, if any, should be one of the many appropriately weighted factors you consider before making a decision to invest in the Direct Plan. You should consult with a qualified advisor or contact that state's qualified tuition program to find out more about such benefits (including any applicable limitations) and to learn how the features, benefits and limitations of that state's program may apply to your specific circumstances.

Contributions

Contributions to an Account or Accounts are deductible from Mississippi taxable income up to a maximum amount of $10,000 for a single filer or $20,000 for joint filers per taxable year. As long as a married couple files a joint return, each spouse need not contribute $10,000 during the taxable year in order to be entitled to a maximum $20,000 deduction on their joint return. For purposes of a joint tax return, it is sufficient for one spouse to contribute most or all of the full $20,000 to be entitled to the maximum contribution deduction in any taxable year. Contributors are permitted to take a deduction for contributions made no later than the time prescribed by federal law for filing the tax return for the taxable year (without extension). A Mississippi taxpayer is not required to itemize his or her deductions to make this adjustment to income.

Withdrawals

See the "Withdrawals" section of this Disclosure Booklet for descriptions of the four categories of withdrawals: Qualified Withdrawal, Taxable Withdrawal, Rollover, and Non-Qualified Withdrawal. Earnings from the investment of contributions to an Account generally will not be subject to Mississippi income tax, if at all, until funds are withdrawn in whole or in part from the Account

No portion of a Qualified Withdrawal, Taxable Withdrawal, or Rollover will be subject to Mississippi income tax.

The earnings portion of a Non-Qualified Withdrawal will be taxable to a resident recipient of the withdrawal

The contribution portion of a Non-Qualified Withdrawal that was previously deducted for Mississippi income tax purposes will also be included in the resident recipient's Mississippi gross income.

Exemption of Assets

The assets of the Direct Plan and any income derived therefrom are exempt from all taxation by Mississippi or any of its political subdivisions.

Taxes Imposed by Other Jurisdictions

Prospective Account Owners should consider the potential impact of income taxes imposed by jurisdictions other than Mississippi. It is possible that other state or local taxes apply to withdrawals from or accumulated earnings within the Direct Plan, depending on the residency or domicile of the Account Owner or the Beneficiary. Account Owners and Beneficiaries should consult their tax advisors about the applicability, if at all, of state or local taxes imposed by other jurisdictions.

APPENDIX I

to the Disclosure Booklet for the Mississippi Affordable College Savings Program

Summaries of the Underlying Investments

Summaries of the Underlying Funds

The following provides a summary of the mutual funds, currently the Institutional Class of the TIAA-CREF Funds, approved by the Board as the underlying investment vehicles in which certain of the Investment Options invest. The descriptions are taken from the most recent prospectuses of the Underlying Funds available prior to the date of this Disclosure Booklet and are intended to summarize the respective investment objectives, principal investment strategies and principal risks of each of the Underlying Funds. The investment objectives, strategies and risks of the Underlying Funds are subject to change at any time. Additional information regarding each of the Underlying Funds can be found in the prospectuses, statements of additional information and annual and semi-annual reports for each of the Underlying Funds. You can request a copy of this material for each Underlying Fund by calling 1-800-897-9059 or visiting www.tiaa-cref.org/prospectuses/index.html. The TIAA-CREF Funds' Investment Adviser is Teachers Advisors, Inc., an affiliate of the Direct Plan Manager. An investment in the Direct Plan or in any of the Investment Options is not an investment in any of the Underlying Funds.

	Fund Name	Investment Objective	Principal Investment Strategies
Active Equity Funds	**Small-Cap Equity Fund**	The Small-Cap Equity Fund seeks a favorable long-term total return, mainly through capital appreciation, primarily from equity securities of smaller domestic companies.	Under normal circumstances, the Small-Cap Equity Fund invests at least 80% of its assets in small-cap equity securities. The Fund invests primarily in equity securities of smaller domestic companies across a wide range of sectors, growth rates and valuations that appear to have favorable prospects for significant long-term capital appreciation. The overall goal is to build a portfolio of stocks that outperform the Fund's specified benchmark index, while also managing the relative risk of the Fund versus its benchmark index. The markets or the prices of individual securities may be affected by factors not taken into account in its investment adviser's analysis.
	International Equity Fund	The International Equity Fund seeks a favorable long-term total return, mainly through capital appreciation, primarily from equity securities of foreign issuers.	Under normal circumstances, the International Equity Fund invests at least 80% of its assets in equity securities of foreign issuers. The Fund has a policy of maintaining investments of equity securities of foreign issuers in at least three countries other than the United States. The Fund may invest in emerging markets to varying degrees, depending on the prevalence of stock specific opportunities. The Fund typically invests in companies of all sizes that can demonstrate an ability to generate free cash flow and strong market share. In addition, the Fund's investment adviser looks for companies with performance-oriented management that focuses on growth through innovation, sustainable earnings growth and shareholder returns.
Equity Index Funds	**Emerging Markets Equity Index Fund**	The Emerging Markets Equity Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of emerging market equity investments based on a market index.	The Emerging Markets Equity Index Fund seeks a favorable long-term total return from a diversified portfolio of equity securities selected to track publicly-traded stocks in emerging markets, as represented by a specified benchmark index. Under normal circumstances, the Fund invests at least 80% of its assets in equity securities that comprise its benchmark index or in instruments with economic characteristics similar to all or a portion of its benchmark index. The Fund will invest in most but not necessarily all of the stocks that comprise its benchmark index, and will attempt to closely match its benchmark index's overall investment attributes. At times, the Fund will not invest in securities of issuers included in its benchmark index that do not meet certain corporate governance criteria adopted by the Fund. Under this policy, the Fund currently has determined not to invest in certain companies with operations in Sudan.
	Large-Cap Growth Index Fund	The Large-Cap Growth Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic growth companies based on a market index.	Under normal circumstances, the Large-Cap Growth Index Fund invests at least 80% of its assets in securities of its benchmark index. The Fund buys most, but not necessarily all, of the stocks in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. The Fund is designed to track various U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index.
	Large-Cap Value Index Fund	The Large-Cap Value Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic value companies based on a market index.	Under normal circumstances, the Large-Cap Value Index Fund invests at least 80% of its assets in securities of its benchmark index. The Fund buys most, but not necessarily all, of the stocks in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. The Fund is designed to track various U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index.
	Small-Cap Blend Index Fund	The Small-Cap Blend Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities in smaller domestic companies based on a market index.	Under normal circumstances, the Small-Cap Blend Index Fund invests at least 80% of its assets in equity securities of its benchmark index. The Fund buys most, but not necessarily all, of the stocks in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. The Fund is designed to track various U.S. equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index.

	Fund Name	Investment Objective	Principal Investment Strategies
	International Equity Index Fund	The International Equity Index Fund seeks a favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of foreign equity investments based on a market index.	Under normal circumstances, the International Equity Index Fund invests at least 80% of its assets in securities of its benchmark index. The Fund buys most, but not necessarily all, of the stocks included in its benchmark index, and will attempt to closely match the overall investment characteristics of its benchmark index. The Fund is designed to track foreign equity markets as a whole or a segment of these markets, and primarily invests its assets in equity securities selected to track a designated stock market index.
Real Estate Securities Fund	**Real Estate Securities Fund**	The Real Estate Securities Fund seeks to obtain a favorable long-term total return through both capital appreciation and current income, by investing primarily in equity securities of companies principally engaged in or related to the real estate industry.	Under normal circumstances, the Real Estate Securities Fund invests at least 80% of its assets in the equity securities of companies that are principally engaged in or related to the real estate industry, including those that own significant real estate assets, such as real estate investment trusts. The Fund will invest primarily in equity securities of such companies. The Fund does not invest directly in real estate. The Fund concentrates its investments in the real estate industry. From time to time, the Fund may also invest in debt securities of companies principally engaged in or related to the real estate industry. The Fund also may invest up to 15% of its total assets in real estate securities of foreign issuers and up to 20% of its total assets in equity (including preferred stock) and debt securities of issuers that are not engaged in or related to the real estate industry.
Fixed-Income Funds	**Bond Index Fund**	The Bond Index Fund seeks a favorable long-term total return, mainly from current income, by primarily investing in a portfolio of fixed-income securities that is designed to produce a return that corresponds with the total return of the U.S. investment-grade bond market based on a broad bond index.	Under normal circumstances, the Bond Index Fund invests at least 80% of its assets in bonds within its benchmark and portfolio tracking index. At times the Fund may purchase securities not held in a specified benchmark index, but which its investment adviser believes have similar investment characteristics to securities held in its benchmark index. Generally, the Fund intends to invest in a wide spectrum of public, investment-grade, taxable debt securities denominated in U.S. dollars—including government, mortgage-backed, commercial mortgaged-backed and asset-backed securities. The Fund's investment in mortgage-backed securities may include pass-through securities sold by private, governmental and government-related organizations and collateralized mortgage obligations, to the extent such instruments are held by the Fund's benchmark index. The Fund generally will invest in foreign securities denominated in U.S. dollars only to the extent they are included or eligible to be included in its benchmark index.
	High-Yield Fund	The High-Yield Fund seeks high current income and, when consistent with its primary objective, capital appreciation.	The High-Yield Fund invests primarily in lower-rated, higher-yielding fixed-income securities, such as domestic and foreign corporate bonds, debentures, loan participations and assignments and notes, as well as convertible securities and preferred stocks. Under normal circumstances, the Fund invests at least 80% of its assets in debt and other fixed-income securities rated lower than investment-grade (and their unrated equivalents) or other high-yielding debt securities. The Fund may invest up to 20% of its assets in the following types of instruments: payment-in-kind or deferred-interest obligations, defaulted securities, asset-backed securities, securities rated lower than B- or its equivalent by at least two rating agencies, and securities having limited liquidity. The Fund can make foreign investments, including investments in emerging markets, but these are not expected to be over 20% of its assets. The Fund can have up to 15% of its assets in illiquid securities. The Fund can also invest in U.S. Treasury and agency securities or other short-term instruments when other suitable investment opportunities are not available, or in order to build the Fund's liquidity. The Fund may purchase and sell futures, options, swaps and other fixed-income derivative instruments to carry out the Fund's investment strategies.

	Fund Name	Investment Objective	Principal Investment Strategies
	Inflation-Linked Bond Fund	The Inflation-Linked Bond Fund seeks a long-term rate of return that outpaces inflation, primarily through investment in inflation-linked bonds.	Under normal circumstances, the Inflation-Linked Bond Fund invests at least 80% of its assets in fixed-income securities whose principal value increases or decreases based on changes in a specified inflation index over the life of the security. Typically, the Fund will invest in U.S. Treasury Inflation-Indexed Securities. The Fund can also invest in (1) other inflation-indexed bonds issued or guaranteed by the U.S. government or its agencies, by corporations and other U.S. domiciled issuers, as well as foreign governments, and (2) money market instruments or other short-term securities. The Fund may also invest in inflation-indexed bonds issued or guaranteed by foreign governments and their agencies, as well as other foreign issuers. Under most circumstances, the Fund's investments in inflation-linked bonds of foreign issuers are generally less than 25% of its total assets. The Fund may purchase and sell futures, options, swaps and other fixed-income derivative instruments to carry out the Fund's investment strategies. The Fund also may invest in any fixed-income securities provided that no more than 5% of its assets are invested in fixed-income securities rated below investment grade.
	Short-Term Bond Fund	The Short-Term Bond Fund seeks high current income consistent with preservation of capital.	Under normal circumstances, the Short-Term Bond Fund invests at least 80% of its assets in U.S. Treasury and agency securities and investment-grade fixed-income investments with an average maturity of less than 5 years. The Fund may purchase and sell futures, options, swaps and other fixed-income derivative instruments to carry out the Fund's investment strategies. The Fund may invest in foreign securities, including emerging markets fixed-income securities and non-dollar denominated instruments. Under most circumstances, the Fund's investments in fixed-income securities of foreign issuers constitute less than 20% of its assets.
Money Market Fund	**Money Market Fund**	The Money Market Fund seeks high current income consistent with maintaining liquidity and preserving capital.	The Money Market Fund invests in high-quality, short-term money market instruments. Generally, it seeks to maintain a share value of $1.00 per share. The Fund limits its investments to securities that present minimal risk and are rated in the highest rating categories for short-term instruments. The Fund can also invest up to 30% of its assets in money market and debt instruments of foreign issuers denominated in U.S. dollars. The Fund may make other investments consistent with its investment objective and policies. An investment in the Money Market Fund, like the other Funds, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Summary of Risks of the Underlying Funds

RISK CATEGORY		Small-Cap Equity Fund	International Equity Fund	Emerging Markets Equity Index Fund	Large-Cap Growth Index Fund	Large-Cap Value Index Fund	Small-Cap Blend Index Fund	International Equity Index Fund	Real Estate Securities Fund	Bond Index Fund	High-Yield Fund	Inflation-Linked Bond Fund	Short-Term Bond Fund	Money Market Fund
Active Management Risk		●	●						●		●	●	●	
Call Risk										●	●		●	
Credit Risk										●	●	●	●	●
Current Income Risk														●
Derivatives Risk											●	●	●	
Emerging Markets Risk			●	●							●			
Extension Risk										●			●	
Fixed-Income Foreign Investment Risk										●	●	●	●	●
Foreign Investment Risk		●	●	●				●	●					
Income Volatility Risk										●				●
Index Risk				●	●	●	●	●		●				
Industry Concentration Risk									●					
Interest Rate Risk									●	●	●	●	●	●
Issuer Risk		●	●	●	●	●	●	●	●		●		●	●
Large-Cap Risk					●	●		●						
Market Risk		●	●	●	●	●	●	●	●					
Market Volatility, Liquidity and Valuation Risk										●	●		●	●
Mid-Cap Risk								●	●					
Non-Investment-Grade Securities Risk											●			
Real Estate Investing Risk									●					
Prepayment Risk										●			●	
Quantitative Analysis Risk		●												
Small-Cap Risk		●					●		●					
Special Risks for Inflation-Indexed Bonds												●		
Style Risks	Growth Investing				●									
	Value Investing					●								

Summary Descriptions of Risks of the Underlying Funds

Active Management Risk — The risk that the strategy, investment selection or trading execution of securities by a Fund's investment adviser could cause the Fund to underperform relative to the benchmark index or mutual funds with similar investment objectives.

Call Risk — The risk that, during periods of falling interest rates, an issuer may call (or repay) a fixed-income security prior to maturity, resulting in a decline in a Fund's income.

Credit Risk (a type of **Issuer Risk**) — The risk that the issuer of bonds may not be able or willing to meet interest or principal payments when the bonds become due.

Current Income Risk — The risk that the income a Fund receives may fall as a result of a decline in interest rates. In a low interest rate environment, the Money Market Fund may not be able to achieve a positive or zero yield or maintain a stable net asset value of $1.00 per share.

Derivatives Risk — The risks associated with investing in derivatives may be different and greater than the risks associated with directly investing in the underlying securities and other instruments. A Fund may use futures and options, and a Fund may also use more complex derivatives such as swaps that might present liquidity, credit and counterparty risk. When investing in derivatives, a Fund may lose more than the principal amount invested.

Emerging Markets Risk — The risk of foreign investment often increases in countries with emerging markets. For example, these countries may have more unstable governments than developed countries, and their economies may be based on only a few industries. Because their financial markets may be very small, share prices of financial instruments in emerging market countries may be volatile and difficult to determine. Financial instruments of issuers in these countries may be less liquid than those of issuers in more developed countries. In addition, foreign investors such as a Fund are subject to a variety of special restrictions in many such countries.

Extension Risk — The risk that during periods of rising interest rates, borrowers may pay off their mortgage loans later than expected, preventing a Fund from reinvesting principal proceeds at higher interest rates and resulting in less income than potentially available.

Fixed-Income Foreign Investment Risk —Investment in fixed-income securities or financial instruments of foreign issuers involves increased risks due to adverse issuer, political, regulatory, currency, market or economic developments. These developments may impact the ability of a foreign debt issuer to make timely and ultimate payments on its debt obligations to a Fund or impair a Fund's ability to enforce its rights against the foreign debt issuer. These risks are heightened in emerging or developing markets. Foreign investments may also be less liquid and more difficult to value than investments in U.S. issuers.

Foreign Investment Risk — Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, currency, market or economic developments and can result in greater price volatility and perform differently from financial instruments of U.S. issuers. This risk may be heightened in emerging or developing markets. Foreign investments may also be less liquid and more difficult to value than investments in U.S. issuers.

Income Volatility Risk — The risk that the level of current income from a portfolio of fixed-income investments declines in certain interest rate environments.

Index Risk — The risk that the Fund's performance will not correspond to its benchmark index for any period of time and may underperform such index or the overall stock market. Additionally, to the extent that the Fund's investments vary from the composition of its benchmark index, the Fund's performance could potentially vary from the index's performance to a greater extent than if the Fund merely attempted to replicate the index.

Industry Concentration Risk — Because a Fund concentrates its investments in only one industry and holds securities of relatively few issuers, the value of its portfolio is likely to experience greater fluctuations and may be subject to greater risk than those of other funds.

Interest Rate Risk (a type of **Market Risk**) — The risk that increases in interest rates can cause the prices of fixed-income securities to decline. This risk is heightened to the extent that a Fund invests in longer duration fixed-income investments.

Issuer Risk (often called **Financial Risk**) — The risk that an issuer's earnings prospects and overall financial position will deteriorate, causing a decline in the value of the issuer's financial instruments over short or extended periods of time.

Large-Cap Risk — The risk that large-capitalization companies are more mature and may grow more slowly than the economy as a whole and tend to go in and out of favor based on market and economic conditions.

Market Risk — The risk that market prices of portfolio investments held by the Fund may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions. Market risk may affect a single issuer, industry or sector of the economy, or it may affect the market as a whole.

Market Volatility, Liquidity and Valuation Risk (types of **Market Risk**) — The risk that volatile or dramatic reductions in trading activity make it difficult for a Fund to properly value its investments and that a Fund may not be able to purchase or sell an investment at an attractive price, if at all.

Mid-Cap Risk — The risk that the stocks of mid-capitalization companies often experience greater price volatility, lower trading volume and less liquidity than the stocks of larger, more established companies.

Non-Investment-Grade Securities Risk — Issuers of non-investment-grade securities, which are usually called "high-yield" or "junk bonds," are typically in weaker financial health and such securities can be harder to value and sell and their prices can be more volatile. While these securities generally have higher rates of interest, they also involve greater risk of default than do securities of a higher-quality rating.

Prepayment Risk — The risk that during periods of falling interest rates, borrowers may pay off their mortgage loans sooner than expected, forcing a Fund to reinvest the unanticipated proceeds at lower interest rates and resulting in a decline in income.

Quantitative Analysis Risk — The risk that stocks selected by the Fund's investment adviser using quantitative modeling and analysis could perform differently from the market as a whole.

Real Estate Investing Risk — As a result of a Fund's investment objective, a Fund is subject to all of the risks associated with the ownership of real estate. These risks include, among others, declines in the value of real estate, negative changes in the climate for real estate, risks related to general and local economic conditions, decreases in property revenues, increases in prevailing interest rates, property taxes and operating expenses, changes in zoning laws and costs resulting from the clean-up of environmental problems.

Small-Cap Risk — The risk that the stocks of small-capitalization companies often experience greater price volatility than large- or mid-sized companies because small-cap companies are often newer or less established than larger companies and are likely to have more limited resources, products and markets. Securities of small-cap companies are often less liquid than securities of larger companies as a result of there being a smaller market for their securities.

Special Risks for Inflation-Indexed Bonds – The risk that interest payments on, or market values of, inflation-indexed investments decline because of a decline in inflation (or deflation) or changes in investors' and/or the market's inflation expectations. In addition, inflation indices may not reflect the true rate of inflation.

Style Risk — The risk that use of a particular investing style (such as growth or value investing) may fall out of favor in the marketplace for various periods of time and result in underperformance relative to the broader market sector or significant declines in the value of a Fund's portfolio investments.

The Funds that are managed according to a growth investment style are subject to:

- **Risks of Growth Investing** — The risks that growth stocks can perform differently from the market as a whole and other types of stocks. Growth stocks can also be more volatile, and experience sharper price fluctuations, than other stocks.

The Funds that are managed according to a value investment style are subject to:

- **Risks of Value Investing** — Securities believed to be undervalued are subject to the risks that the issuer's potential business prospects are not realized and its potential value is never recognized by the market. As a result, value stocks can be overpriced when acquired and may not perform as anticipated.

Summary of the TIAA-CREF Life Insurance Company Funding Agreement

Contributions to the Guaranteed Option are allocated to a Funding Agreement issued by TIAA-CREF Life to the Policyholder who is the Board on behalf of the Trust. TIAA-CREF Life is regulated as a life insurance company by many states. TIAA-CREF Life is an affiliate of the Direct Plan Manager.

Under the terms of the Funding Agreement, guaranteed interest will be credited to the Policyholder's Funding Agreement account accumulation on a daily basis at the then effective annual rate. The minimum effective annual interest rate to be credited to the Policyholder's account will be neither less than 1% nor greater than 3% at any time. The minimum guaranteed rate will be reset each year. TIAA-CREF Life may pay additional interest in excess of the guaranteed interest rate. Any such additional interest rates will be declared in advance by TIAA-CREF Life for a period of up to 12 months and are not guaranteed for future periods.

The current effective annual interest rate applicable to the Funding Agreement will be posted on the Direct Plan's website. You may also obtain the information by calling the Direct Plan.

Any interest credited under the Funding Agreement, including the guaranteed interest rate, is credited only to the Policyholder's Funding Agreement account, not to Account Owners or Beneficiaries.

There is a risk that TIAA-CREF Life could fail to perform its obligations under the Funding Agreement for financial or other reasons.

APPENDIX II

to the Disclosure Booklet for the
Mississippi Affordable College Savings Program

PARTICIPATION AGREEMENT

Each capitalized term used but not defined in this Participation Agreement has the meaning set forth in the Disclosure Booklet, and such meanings are incorporated into this Participation Agreement as if they were set forth herein.

I hereby enter into this Participation Agreement with the Board, on behalf of the Trust, in order to establish an Account in the Direct Plan. I understand that the Account shall represent an interest in the Direct Plan. I understand and agree that this Participation Agreement is subject to and incorporates by reference all of the information set forth in the Disclosure Booklet and Application. I understand that my signature on the Application signifies my acceptance of the terms of this Participation Agreement.

For purposes of this Participation Agreement, "I" or "me" shall refer to the designated Account Owner or to a duly appointed representative of the Account Owner, as applicable.

A. Agreements, Representations and Warranties of the Account Owner. I hereby agree with, and represent and warrant to the Board, as follows:

1. I certify that I am eligible to be an Account Owner of the Direct Plan as such eligibility is set forth in the Disclosure Booklet.

2. I have received, read and understand the Disclosure Booklet as currently in effect. I acknowledge that there have been no representations or other information about the Direct Plan relied upon in entering into this Participation Agreement, whether oral or written, other than as set forth in the Disclosure Booklet and this Participation Agreement. I understand that this Participation Agreement shall become effective upon the opening of the Account on the records of the Direct Plan.

3. I certify that I am opening this Account in order to provide funds for the Qualified Higher Education Expenses of the Beneficiary, if any, of the Account. I certify that I have full power and authority to enter into and perform under this Participation Agreement. This Participation Agreement constitutes the legal, valid and binding obligation of the Account Owner.

4. I understand that all assets, if any, in the Account will be held exclusively for my benefit and the benefit of the Beneficiary. I understand that any contribution, or portion of a contribution, made by me that causes the aggregate market value of the Account and all other accounts in the MACS Program and the value of any prepaid tuition contracts in the Prepaid Program for the same Beneficiary to exceed the current applicable Maximum Account Balance Limit will be rejected and returned.

5. I understand that the minimum initial and subsequent contribution to an Account is $25 to each Investment Option chosen except for contributions made via payroll deduction, where the minimum is $15 per Investment Option per pay period. I understand that the Board may, at any time, change the minimum contribution amounts without notice.

6. I recognize that the investment of contributions and earnings, if any, in my Account involves certain risks, and I have taken into consideration and understand the risk factors related to these investments, including, but not limited to, those set forth in the Disclosure Booklet. I understand that neither I, nor any Beneficiary, is or will be permitted to direct the investment of the Account other than through the selection of Investment Options. I understand that I may transfer all or a portion of the funds already in my Account to different Investment Options within the Direct Plan once per calendar year for the same Beneficiary or when I change the Beneficiary of my Account to a Member of the Family of the Beneficiary. I understand that if I have an Account in the Direct Plan and an account in the Advisor Plan for the same Beneficiary, a transfer of funds among investment options in either plan counts as my once per year transfer as does a transfer from investment options in one plan within the MACS Program to investment options in the other plan for the same Beneficiary.

7. I understand and acknowledge that amounts in my Account are not guaranteed or insured by any person or entity, including but not limited to, the State of Mississippi, the MACS Program, the Board, the Board members, the Direct Plan, the Trust, the Direct Plan Manager and its subcontractors and affiliates, any vendors, contractors, investment advisors or investment managers selected or approved by the Board or any agents, representatives or successors of any of the foregoing.

8. I understand and acknowledge that with respect to each Investment Option in the Direct Plan, there is no guarantee or commitment whatsoever from the State of Mississippi, the MACS Program, the Board, the Direct Plan, the Trust, the Direct Plan Manager or any other person or entity that: (i) actual Qualified Higher Education Expenses will be equal to projections and estimates provided by the Direct Plan (ii) the Beneficiary will be admitted to any institution of higher education (including an Eligible Educational Institution); (iii) upon admission to an institution of higher education, the Beneficiary will be permitted to continue to attend; (iv) upon admission to an institution, the Beneficiary will be determined a resident for tuition purposes by the institution of higher education; (v) the Beneficiary will graduate or receive a degree from any institution; or (vi) contributions and investment returns in this Account will be sufficient to cover the Qualified Higher Education Expenses of the Beneficiary.

9. I understand and acknowledge that the MACS Program, the Direct Plan, the Board, each Board member and the State of Mississippi do not insure any account or guarantee any rate of return or any interest rate on any contribution or are not liable for any loss incurred by any person as a result of participating in the Direct Plan. I further understand and acknowledge that none of the above, nor the Direct Plan, the Trust, the Direct Plan Manager or any affiliate thereof, or any other person or entity makes any guarantee that I will not suffer a loss of any amount invested in my Account or that I will receive a particular return of any amount in my Account. I understand that there is no guarantee that the Direct Plan's investment objectives will be achieved.

10. I understand that TFI will not necessarily continue as the Direct Plan Manager for the entire period my Account is open and that the Board may retain, in the future, different Direct Plan managers for the Direct Plan. I acknowledge that if this occurs, or even if it does not, there is no assurance that I would not experience a material change to certain terms and conditions of the current Participation Agreement, including the Direct Plan Manager Fee. I understand that if TFI ceases to be the Direct Plan, my assets in the Direct Plan may be automatically transferred to new investment options or I may have to open a new Account in the Direct Plan with the successor Direct Plan Manager in order