

News Release

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For Immediate Release

BND ANNOUNCES NEW COLLEGE SAVINGS PLAN

Bismarck – The Industrial Commission today unveiled a new plan to help families save money for future college expenses.

"College SAVE provides a window of opportunity for our children to attend college," said Gov. John Hoeven, who also proclaimed September as "College Savings Month" in North Dakota. "Investing in the education of our youth is key to not only the growth and prosperity of our state but also the growth and prosperity of our children."

The plan, established by the Bank of North Dakota under Section 529 of the Internal Revenue Code, allows program participants to use a variety of investment options for college education savings through Morgan Stanley, a full-service, global financial firm.

"The Bank of North Dakota and Student Loans of North Dakota have a long history of helping individuals obtain money for post secondary education," said Attorney General Wayne Stenehjem. "They processed the nation's first federally insured student loan in 1967, and since then have continued to lead the way in helping students achieve their dreams of a college education."

"Many families pay more for their children's education than they paid for their home," said Agriculture Commissioner Roger Johnson. "College SAVE is an option available to help families gather the financial resources they need to send their children to college."

BND president Eric Hardmeyer said the plan allows a contributor to deposit funds into an account on behalf of a designated beneficiary to cover higher education expenses that are incurred while attending any eligible college or professional school.

"Anyone can participate in this plan," Hardmeyer said. "A minimum of \$25 is all that is needed to open a college savings account."

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Sen. Aaron Krauter, Regent, said it was his personal concern for North Dakota's families with children facing student loan debt that lead him to introduce the legislation. Co-sponsors of the legislation were Senators Tony Grindberg, Jerome Kelsh, David O'Connell, Representatives David Drovdal and RaeAnn Kelsch.

"Affording a college education has shifted American concern for a comfortable retirement to second place," Krauter said. "The plan allows many people, including parents, grandparents, great grandparents, aunts, uncles and friends of the family, to invest in a young person's education."

Robert T. Sloss, Morgan Stanley managing director of financial services said the company is committed to providing the necessary products and services to ensure success of the College SAVE plan. He also said the company will launch a national media campaign to promote College SAVE.

As the only state-owned bank in the nation, the Bank of North Dakota is overseen by the Industrial Commission of North Dakota, consisting of Gov. John Hoeven as Chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Roger Johnson.